MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 14, 1986 - 10:00 A.M.

PRESENT:	Raymond L. Weisberg M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, December 10, 1985

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

President Weisberg announced that Samuel Walker had been elected to the Retirement Board vice Warren DeMerritt, retired. Mr. Walker was officially sworn in and took the oath of office on January 14, 1986. Mr. Walker was thereupon officially seated as a member of The Retirement Board.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS 13-85

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Maria Anguiano $10,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Thadius Beattie $ 2,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
David A. Benetti $ 2,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lillie Buckner $13,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Samuel Dison $ 1,000.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Hipolito Martin $ 2,500.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Aracely Osorio $ 650.00

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bruce Purdie $ 4,000.00

j) REQUEST TO WITHDRAW APPLICATION FOR DISABILITY RETIREMENT:
Carwell Fowler, Jr.

k) APPLICATION FOR BIRTHDATE CORRECTION:
Ruby I. Roach

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Donovan Marshall

m) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Sharon Robleto

n) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Jackie Winnow

ACTION: It was moved by Ashe, seconded by Gibson to adopt the Consent Calendar with the removal of item (n) which is to be continued to the next meeting; motion passed, 5-0.

INVESTMENT CALENDAR

ITEM

1. REVIEW OF THE INVESTMENT STRATEGIC PLAN:

DeWitt Bowman, Chief Investment Officer presented a written and oral review of the Investment Strategic Plan. The Board reviewed and discussed the amendments under consideration and reviewed and approved some additional language with respect to equity markets.

ACTION: It was moved by Denning, seconded by Gibson to approve the Stategic Plan as Amended by the Board; motion passed, 5-0. (Amended Strategic Plan attached).

NOTE: Commissioner Bruschera arrived at this time.

2. INTERNATIONAL INVESTMENTS AND SEARCH APPROVAL:

DeWitt Bowman, Chief Investment Officer presented a written and oral report on International Investments. The Board engaged in a Question and Answer session with Mr. Bowman.

ACTION: It was moved by Denning, seconded by Ashe to approve staff's recommendation to begin the search process for International Investment advisors; motion passed 6-0.

3. CHIEF INVESTMENT OFFICER REPORT.

The Chief Investment Officer reported that he had 3 Proxy votes to present:

A. Proxy Vote Re Becton, Dickinson & Co.:

		FOR	AGAINST
(1.)	Shareholder Proposal		
	Amendment of Stock Award Plan	0	6
(2.)	Shareholder Proposal		
	Restrict Corporate Charitable contributions	0	6
(3.)	Shareholder Proposal Election of Directors Annually rather than by class	3	3

B. Burlington Industries:

		FOR	AGAINST
(1.)	Shareholder Proposal		
	Directors shall not serve term of more than 6 years	3	3
(2.)	Shareholder Proposal		
	Shareholder approval of merger reduced to 67%	2	4

C. Emerson Electric Co:.

		FOR	AGAINST
(1.)	Company Proposal		
	Anti takeover measure	6	0
(2.)	Company Proposal Directors would be elected for staggered terms.	0	6

REGULAR CALENDAR

1. FINAL PRESENTATION AND ADOPTION OF RETIREMENT SYSTEM 1986-1987 BUDGET:

Clare Murphy, General Manager and Rudolph Hernandez, Deputy General Manager of Operations and Finance, presented the final copy of the Retirement System 1986-1987 Budget. The Board discussed several items and deferred action until the Executive session to further discuss a personnel issue related to a specific budget item.

2. PRESENTATION OF MAYOR'S LETTER ON THE RETIREMENT SYSTEM'S MBO PERFORMANCE:

Clare Murphy presented to the Board the Mayor's response to the Retirement System's MBO performance. The Board reviewed and discussed the departments excellent MBO performance.

There was no action taken on this report, information item only.

3. HEARING OFFICER DECISIONS:

CONNELLY, Thomas J.
Fire Department
Industrial Disability Retirement
Effective Date: March 1, 1985 GRANTED

CONROY, J. William
Police Department
Industrial Disability Retirement
Effective Date: Sept. 1, 1981 GRANTED

HENRY, James A.
Airport Comm.
Ordinary Disability Retirement
Effective Date: Dec. 13, 1985 GRANTED

LOWREY, Linda
Social Services
Ordinary Disability Retirement
Effective Date: May 1, 1986 GRANTED

SILVA, Bernard A.
Rec & Park
Ordinary Disability Retirement
Effective Date: August 1, 1985 GRANTED

ACTION: It was moved by Denning, seconded by Ashe to accept the Hearing Officer's Decisions; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

A. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

CHISM, Ron $1,650.00

B. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

DELGADILLO, Mario J. $3,650.00

C. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM:

EVANS, Joyce Ann

D. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PROGRAM:

O'DONNELL, Thomas

E. SETTLEMENT OF DISPUTED CLAIM - SUBROGATION:

WHITE, Charles $ 300.00

NOTE: The Board decided to act on the above items with a single vote.

ACTION: It was moved by Bruschera, seconded by Denning to approve the portion of the Supplemental Calendar considered to be Consent type items; motion passed 6-0.

ITEM

1. REQUEST FOR APPROVAL OF SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF $2,282,850.00 FOR WORKER'S COMPENSATION BENEFITS.

Clare Murphy, General Manager, and Rudolph Hernandez, Deputy General Manager of Operations and Finance presented a written and oral request for Approval of a Supplemental Appropriation in the amount of $2,282,850.00 for Worker's Compensation Benefits. The Board engaged in a question and answer session with Ms. Murphy and Mr.Hernandez regarding the reasons for the request.

ACTION: It was moved by Ashe, seconded by Walker to approve the request for Approval of a Supplemental Appropriation in the amount of $2,282,850.00 for Worker's Compensation Benefits; motion passed, 6-0.

2. HEARING OFFICER DECISIONS:

a) JOHNSON, Bob
MUNI RR - 9163 Transit Operator
REINSTATEMENT
EFFECTIVE DATE: Feb. 1, 1986 GRANTED

It was moved by Gibson, seconded by Walker to accept the Hearing Officer Decision; motion passed, 6-0.

GENERAL MANAGER REPORT

The General Manager reported that:

1. The Callan Institute is scheduled for next Thursday and Friday the 23rd and 24th of January. She also reminded the Board that they are all invited to the Callan Dinner Wednesday night.

2. The next Board meeting January 28, 1986, will be a half day meeting. A progress report on Worker's Compensation and a tour of Compensation's new facilities, followed by a luncheon at the St. Francis Hospital is scheduled.

3. She had provided the Board with a copy of the International Foundation of Employee Benefit Plans' 1986 Seminar Schedule. The Fundamentals of Money Management presented by the Wharton School is of particular interest and has limited registration. If any Board Members are interested they are to notify the Administrative Offices.

4. She is monitoring The Board of Supervisors action regarding divesting proceeding of City Funds.

5. She had received a copy of the report on the Mayors Task Force on Claims and Judgements against the city. There is a proposed Charter Amendment and staff has submitted changes that would allow the Retirement System to remain responsible for Worker's Compensation Claims.

BOARDS MEMBERS

Commissioner Ashe requested staff to prepare a recommendation on employees who are injured and who are not wearing Seat Belts given the new Mandatory Seat Belt Law.

EXECUTIVE SESSION

The Board went into closed session to discuss several departmental personnel issues.

The Board reconveyed in open session and announced they had reviewed a personnel issue related to the 1986-1987 Departmental Budget and had voted:

ACTION: It was moved by Gibson, seconded by Walker to approve the Retirement System's 1986-1987 Budget; motion passed, 6-0.

With respect to the second personnel issue the Board announced that they had reviewed, discussed and voted:

ACTION: It was moved by Ashe, seconded by Bruschera to authorize vacation and sick pay leave for Granville DeMerritt, Actuary and further that the Board had approved; motion passed, 6-0.

There being no further business, The Board adjourned at 2:30 p.m.

Clare M. Murphy

CLARE M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Marianne Raulino

January 14, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 28, 1986 - 10:00 A.M.

PRESENT:	Raymond L. Weisberg M.D.	President
	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Bonnie K. Gibson	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, January 14, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 14-85

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lonnie Angel $ 5,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Al Maracci $ 6,770.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Frank Pagano $ 2,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
George W. Paulin $11,115.00

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Anthony John Piazza

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Jackie Winnow

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jose Segovia $ 502.60

ACTION: It was moved by Bruschera, seconded by Denning to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REQUEST TO ATTEND GFOA CONFERENCE JUNE 1-4, 1986 IN LOS ANGELES, CA.

ACTION: It was moved by Denning, seconded by Bruschera to authorize 2 staff persons to attend the Government Finance Officers Association Annual Convention June 1-4, 1986 in Los Angeles, California; motion passed, 5-0.

2. REQUEST TO ATTEND NCPERS LEGISLATIVE CONFERENCE MARCH 23-27, 1986 IN WASHINGTON, D.C.

Clare Murphy, General Manager informed the Board of the pending Legislative conference being held in March in Washington, D. C. No action was taken on this item, information only.

3. HEARING OFFICER DECISIONS:

HAGGET, Robert A.
Fire Department - H2 Firefighter
Industrial Disability Retirement
Effective Date: August 3, 1984 DENIED

REYNOLDS, William C.
Fire Department - H2 Firefighter
Industrial Disability Retirement
Effective Date: Feb. 11, 1985 GRANTED

ACTION: It was moved by Bruschera, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 5-0.

INVESTMENTS CALENDAR

1. INTERNATIONAL INVESTMENTS: RHODES PRESENTATION

James E. Rhodes, from Bechtel Group, Inc., made an oral presentation to the Board on International Investments. Mr. Rhodes is the Chief Investment Officer for Bechtel's Pension Fund. The Board engaged in a question and answer session with Mr. Rhodes.

There was no action on this part of the report.

DeWitt Bowman, Chief Investment Officer presented a written and oral report to the Board on the suggested criteria and schedule for the International Investment Manager Search. The Board reviewed and discussed the schedules.

ACTION: It was moved by Denning, seconded by Walker to approve staff's recommendation for the criteria and timetable for the International Investment Manager Search with a proviso that changes may be added; motion passed, 5-0.

2. SOUTH AFRICAN DIVESTMENT REPORT:

DeWitt Bowman presented a written and oral report on the South African Divestment proceedings. The Board reviewed the report and engaged in a question and answer session with Mr. Bowman. Mr. Bowman will present more conclusive findings regarding performance after one year is completed with South African Restrictions. No action was taken on this report, it was an information item only.

3. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that:

A. He had received and reviewed a proposal from Cal Home. The proposal involved an investment of Retirement System trust fund monies to sponsor a Home Mortgage Loan program. The lending agent would be General Electric Mortgage Securities Corporation (GEMSCO). Mr. Bowman indicated that staff reviewed the proposal and did not recommend the investment. Commissioner Ashe alerted The Board and staff that General Electric was on the South Africa restricted list and thus the Retirement System would be unable to participate in the program.

B. He had received a proposal from SRI through Callan Associates. This investment is in the area of Venture Capital. The Board and staff decided to follow the same process for Venture Capital as they did for Real Estate. First a panel will be brought in to educate the Board and staff on Venture Capital as an Investment vehicle.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She distributed Legislation that had been passed by the full Board of Supervisors regarding the Divestment of City Funds. The vote was 10-0 with Supervisor Kopp absent.

2. She distributed the Memorandum of Understading (MOU) regarding the Comparable Worth issue. She will keep the Board informed of any further developments related to this issue.

3. She informed the Board that a luncheon had been arranged to honor Commissioner Leon Bruschera's tenure as a Retirement Board Member. The luncheon will be held Friday, March 7, 1986 at Aliotos on Fisherman's Wharf at noon.

There being no furhter business, the Board adjourned at 12:25 p.m. in memory of the seven brave astronauts who perished aboard the Space Shuttle Challenger. Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Marianne Raulino.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 11, 1986 - 10:00 A.M.

PRESENT:	Peter D. Ashe	Vice President
	Leon Bruschera	Commissioner
	Paul F. Denning	Commissioner
	Bonnie K. Gibson	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	President
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, January 28, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 15-85.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mary Boysen $1,700.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Michael Brophy $3,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Thad Gibson (Dec'd) $3,000.00

e) SETTLEMENT OF DISPUTED CLAIM - STIPULATION TO PERMANENT DISABILITY:
Howard Jackson 66-3/4%

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELEASE:
Daniel Knight $3,000.00

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Willie Campers Jr.

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Alfred Lent

Staff requested item e) be removed from the consent Calendar and heard as a separate item.

ACTION: It was moved by Gibson, seconded by Denning to adopt the Consent Calendar as amended with the removal of item e; motion passed; 4-0.

ITEM e) SETTLEMENT OF DISPUTED CLAIM - Stipulation to Permanent Disability

Howard Jackson 66-3/4%

ACTION: By a ballot vote of 4-0, the Board approved the adjustment of Howard Jackson's retirement allowance from 50% to 66-3/4% effective January 9, 1985.

INVESTMENT CALENDAR

1. Staff Report on Performance of Internal and External Fixed Income Managers for the period ending December 31, 1985.

   DeWitt Bowman, Chief Investment Officer and Diane Gale, Assistant Chief of Investments presented a written and oral report on the Performance of Internal and External Fixed Income Manangers for the period ending December 31, 1985. Ms. Gale summarized the activities of the external managers in relation to the styles for which they were hired. She also discussed the performance of the internal portfolio's performance. The Board reviewed and discussed the result with Ms. Gale. No action was taken on this report.

2. Staff Report on Performance of Internal and External Equity Managers for the period ending December 31, 1985.

   DeWitt Bowman and Carolyn Hamilton, Assistant Chief of Investments rendered a written and oral report on the Performance of the Internal and External Equity Managers for the period ending December 31, 1985. Ms. Hamilton summarized the activities of the external managers in relation to the styles for which they were hired. She also discussed the internal equity portfolio's performance. The Board engaged in a question and answer session with Ms. Hamilton. No action was taken on this report.

3. Staff recommendation on Allocation of Funds for the period ending April 30, 1986.

   DeWitt Bowman presented to the Board a recommended allocation of investment funds for the period ending April 30, 1986.

   ACTION: It was moved by Gibson, seconded by Bruschera to approve staff's recommendation on the Allocation of Funds for the period ending April 30, 1986; motion passed, 4-0.

4. Chief Investment Officer Report.

   The Chief Investment Officer reported that:

   A. He had presented the Board with a list of prospective International Investment Managers. He also presented the Questionnaire that will be sent to each manager. The Board discussed the two items.

   ACTION: It was moved by Denning, seconded by Bruschera to approve the list and questionnaire that will be utilized in the International Investment Manager Search; motion passed 4-0.

REGULAR CALENDAR

1. 1986 Charter Amendment Report.

   Clare M. Murphy, General Manager, presented a written and oral report to the Board on two proposed Charter Amendments for the June 1986 Ballot. The Board reviewed and discussed the Amendments in relation to the effect thet might have on the Retirement System. No action was taken on this report.

2. Request to attend NCPERS Conference May 4-8, 1986 in Boston, Massachussetts.

   ACTION: It was moved by Bruschera, seconded by Denning to authorize selected Board members and one staff person to attend the NCPERS Conference May 4-8, 1986 in Boston, Massachussetts; motion passed, 4-0.

3. Hearing Officer Decisions:

   DeCuir, Gerald
   Pharmacy Hospital - LHH - Pharmacy Helper
   Ordinary Disability
   Effective Date: August 1, 1985 GRANTED

   Genovese, Richard
   SFUSD - Teacher
   Ordinary Disability
   Effective Date: November 22, 1985 GRANTED

   Wulff, Edward
   Airport Comm. - Truck Driver
   Ordinary Disability
   Effective Date: Feb. 4, 1986 GRANTED

   ACTION: It was moved by Gibson, seconded by Denning to accept the Hearing Officer Decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

1. SETTLEMENT OF DISPUTED CLAIM COMPROMISE & RELEASE - THIRD PARTY SETTLEMENT:

   Otis Anderson $1,294.38

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

   Ronald McWoodson $1,612.48

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION;

James Walker Wimberly

NOTE: The above items were acted upon by a single vote.

ACTION: It was moved by Gibson, seconded by Denning to adopt the consent type items listed above; motion passed, 4-0.

4. REQUEST FOR TWO STAFF TO ATTEND 56TH ANNUAL MEETING CALIFORNIA SELF-INSURERS ASSOCIATION, MARCH 5, 6, 7, 1986, IN SAN DIEGO CALIFORNIA.

ACTION: It was moved by Bruschera, seconded by Denning to authorize F.W. Johnson and Brian Narlock to attend the 56th Annual Meeting of California Self-Insurers Association, March 5-7, 1986 in San Diego, California; motion passed, 4-0.

5. HEARING OFFICER DECISIONS:

Decker, Carl L.
Police Department - Q2 Police Officer
Industrial Disability
Effective Date: Dec. 12, 1984 GRANTED

LUCEY, Donald P.
Police Department - Q60 Lieutenant
Industrial Disability DENIED

SMITH, Tom
DPH/CMHS - Sr. Physician Specialist
Ordinary Disability
Effective Date: February 27, 1986 GRANTED

STARLIPER, Gary W.
DSS - Social worker
Ordinary Disability
Effective Date: January 25, 1986 GRANTED

TOVANI, Mario Jr.
Police Department - Q60 Lieutenant
Industrial Disability DENIED

NOTE: The above items were acted on by a single vote.

ACTION: It was moved by Bruschera, seconded by Gibson to adopt the Hearing Officer Decisions; motion passed, 4-0.

6. REQUEST TO AUTHORIZE ONE STAFF MEMBER TO ATTEND THE SIXTH ANNUAL BOND CONFERENCE SPONSORED BY THE FINANCIAL ANALYSTS FEDERATION ON MARCH 10-14, 1986 IN NEW YORK CITY, COMBINED WITH A VISIT TO THE SYSTEM'S FIXED INCOME MANAGERS.

It was moved by Gibson, seconded by Bruschera to authorize Diane E. Gale, Assistant Chief of Investments to attend The Sixth Annual Bond Conference sponsored by the Financial Analysts Federation on March 10-14, 1986 in New York City, combined with a visit to the Retirement System's Fixed Income Managers; motion passed, 4-0.

GENERAL MANAGER REPORT

1. She had received communication from Richard Goss regarding the upcoming CALPERS Trustees meeting March 20, 1986 that will be in Sacramento. She discussed with the Board several potential agenda items. Board members wishing to attend should notify Ms. Murphy and approval will be submitted at the next Board meeting.

2. She had distributed a copy of the Statement of National Pension Policy for all Board Members review.

BOARD MEMBERS

Board members acknowledged that this was Commissioner Leon Bruschera's last meeting. There will be a luncheon March 7, 1986 to honor Commissioner Bruschera's long and distinguished career as a Retirement Board member.

There being no further business, the Board adjourned at 1:00 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General manager

NOTE: Transcripts of meeting contain reference to meeting items.

Court Reporter: Marianne Raulino.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 25, 1986 - 9:00 A.M.

PRESENT:	Raymond L. Weisberg M.D.	President
	Peter D. Ashe	Vice President
	Paul F. Denning	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, February 25, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

President Raymond L. Weisberg announced that Joseph D. Driscoll had successfully won the election, was officially sworn in, and took the oath of office on February 24, 1986. Mr. Driscoll was then officially seated as a member of The Retirement Board, vice Leon Bruschera.

QUARTERLY INVESTMENTS

ITEM

1. CALLAN Associates Investment Review for the year ending December 31, 1985:

   A representative of CALLAN Associates, Mr. Ron Peyton, presented a written and oral report to the Board on the measurement of the Retirement System's investment portfolio for the quarter and year ending December 31, 1985. Following the completion of the report, Board members, staff and Mr. Peyton exchanged comments on the reports. No action was taken by the Board.

2. Presentation by External Equity Managers re Investment Performance for the Quarter ending December 31, 1985:

   Representatives of the following firms, investment managers of the equity portion of the Retirement System's portfolio, rendered written and oral reports on the status of equity investment performance for the quarter and year ending December 31, 1985:

   a. Crocker Investment Management, Inc.
   b. Loomis Sayles and Company
   c. George B. Springman Inc.

   The Board members and staff exchanged viewpoints and comments on portfolio performance. The firm representatives also discussed current and projected economic conditions. No action was taken on these reports.

3. Request for Renegotiation of External Managers Fees:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report requesting a Renegotiation of External Managers fees. The Staff recommends a system whereby manager fees are based on a percentage of assets. George B. Springman Inc. requested this item be discussed with the Board. The Board reviewed and discussed the request with Mr. Bowman.

ACTION: It was moved by Ashe, seconded by Gibson to approve staff's request to change the method of fee calculation for George B. Springman, Inc., to a fee based on a percentage of the assets under management; motion passed 6-0.

4. Chief Investment Officer Report:

The Chief Investment Officer reported that:

A. He had presented the Board with a progress report on the International Investment Manager search. A questionnaire was sent to all prospective managers and the responses will be discussed at the next Board meeting.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 16-85.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE-THIRD PARTY SETTLEMENT:

Rickey Ivey	$2,700.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

James M. Leornard	$8,372.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Cleveland Vickers	$6,000.00

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

Gloria Johnson

f) DETERMINATION OF DISABILITY PAY:

Joseph Parker

ACTION: It was moved by Denning, seconded by Walker to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. Consideration and Adoption of the City and County Employer Contribution Rates for 1986-1987:

   Clare M. Murphy, General Manager, and William Smith, Consulting Actuary from Milliman and Robertson presented a written and oral report on the proposed Employer Contribution Rates for 1986-1987. Since the Retirement Board approved a year ago that no valuation study would be performed, the rates for 1986-1987 are identical to 1985-1986. The Board engaged in a question and answer session with Mr. Smith on other actuarial related matters.

   ACTION: It was moved by Ashe, seconded by Denning to accept the recommendation and adopt the City and County of San Francisco Employer Contribution rates as follows: Miscellaneous--18.00%, Police--92.00%, Fire--106.00%; motion passed, 6-0.

2. Resolution Commending Retirement Board Commissioner Leon Bruschera:

   ACTION: By unanimous acclamation, The Board adopted a Resolution commending Commissioner Leon Bruschera on his outstanding and long standing, dedicated service to The Retirement Board.

   (Resolution attached)

3. Request for authorization to attend the Trustees Meeting of CALAPRS March 20, 1986 in Sacramento, CA:

   ACTION: It was moved by Ashe, seconded by Denning to authorize selected Board members to attend the Trustees Meeting of CALAPRS on March 20, 1986 in Sacramento, CA; motion passed, 6-0.

4. Hearing Officer Decisions:

   CASH, Gregory S.
   Police Department - Q380 Inspector
   Industrial Disability
   Effective Date: April 5, 1986 GRANTED

   LEE, Andrew T.
   DPW - Civil Engineer
   Ordinary Disability
   Effective Date: Jan. 30, 1986 GRANTED

   McMORRIS, Excell
   PH/SFGH - 2736 Porter
   Ordinary Disability
   Effective Date: August 14, 1985 GRANTED

   ACTION: It was moved by Denning, seconded by Walker to accept the Hearing officer Decisions; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. Shareholder Proposals:

A. Hercules Incorporated

	FOR	AGAINST
1. Increase authorized number of shares by 2% to fund Executive Compensation Plans	3	3
2. Board directors length of terms and types of classes. 80% vote on removal of directors and 80% vote to amend or repeal by-laws.	1	5
3. Fair price amendment to prohibit 2-tier pricing in takeovers.	5	1
4. Stock incentive plan for executives.	1	5
5. Stock option plan.	4	2
6. Phantom stock option plan to help recipients meet tax obligation.	1	5
7. One shareholder supported proposal not supported by Company to restore pre-emptive shareholder rights.	5	1

B. Wm. Wrigley Jr. Co.

1. To issue Class B shares	0	6

2. Application for Birthdate Correction:

Marion L. Williams

ACTION: It was moved by Ashe, seconded by Denning to approve the Birthdate Correction for Marion L. Williams; motion passed, 6-0.

3. Hearing Officer Decisions:

PAGANO, Frank J.
Fire Department - H30 Captain
Industrial Disability DENIED

ACTION: It was moved by Ashe, seconded by Denning to accept the Hearing Officer Decision; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She wished to remind Board members that the March 11, 1986 meeting will begin with an election of Board Officers.

2. She had received notification of a Callan Institute being held in June. At present, Investment staff recommends no attendance.

3. The proposed Charter Amendment on Board members compensation did not move out of committee to make the June Ballot. Supervisor Maher will introduce it again, in time for the November ballot.

4. She had learned at the Mayor's Monday morning meeting that the proposed Comparable Worth/Collective Bargaining agreement will not appear with the Civil Service Reform Charter Amendment and has been tabled.

5. She presented a problem concerning the over collection of retirement contributions from selected members of the system. She had been working with employee representative groups to find a successful solution. The solution will be costly because the problem involves 1100 people and could total over two million dollars to be refunded. Approval for a supplemental appropriation to hire the necessary personnel to complete the project was requested.

   ACTION: It was moved by Ashe, seconded by Denning to authorize the request for a Supplemental Appropriation to hire staff to complete the project of refunding the over-collection of retirement contributions; motion passed, 6-0.

BOARD MEMBERS

Commissioner Bonnie K. Gibson requested Board meeting times be changed to commence at 2:00 p.m. The Board reviewed and discussed the request. It was decided that the Board will experiment a starting time of 1:30 p.m. for the next several meetings.

There being no further business, the Board adjourned at 2:30 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by

Court Reporter: Lucy Cabrillo.

RESOLUTION

WHEREAS, Leon Bruschera has served 10 years as a Commissioner of the Retirement Board with the City and County of San Francisco, and

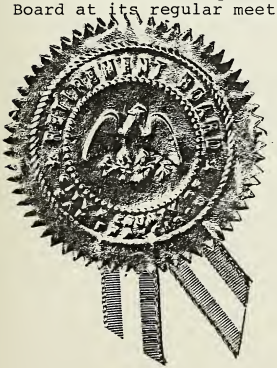
WHEREAS, Leon Bruschera served two terms as President of the Retirement Board, and,

WHEREAS, during Leon Bruschera's long and distinguished career as a Commissioner of the Retirement Board and as a Trustee of The Retirement Fund, the San Francisco City & County Employees' Retirement System has acquired a level of service that ranks the System as one of the finest public retirement systems in the State of California, which enjoys recognition as one of the top 100 pension funds in the United States, and

WHEREAS, Leon Bruschera has earned and acquired; through devoted, loyal and fruitful service, the utmost respect and admiration of his fellow Commissioners on the Retirement Board, the General Manager and the entire staff of the Retirement System, NOW

THEREFORE, BE IT RESOLVED, in recognition of Leon Bruschera's distinguished service and his outstanding contribution to the growth and success of the Retirement System, the Retirement Board and Staff extend a well deserved Commendation of Honor!

This Resolution was presented to and adopted by the Retirement Board at its regular meeting of February 25, 1986.



Raymond L. Weisberg, M.D.
President

Clare M. Murphy
General Manager

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 11, 1986 - 1:30 P.M.

PRESENT:	Raymond L. Weisberg, M.D.	President
	Peter D. Ashe	Vice President
	Paul F. Denning	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, February 25, 1986

ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

Election of officers: President and Vice President.

In accordance with Board Rule One, Section 1.03, the Board conducted the following election of officers for the ensuing term of office:

For President: It was moved by Driscoll, seconded by Walker, that Peter D. Ashe be nominated for President; there were no other nominations, Commissioner Ashe was elected President for the next 12 month period.

For Vice President: It was moved by Gibson, seconded by Weisberg, that Paul F. Denning be nominated for Vice President; there were no other nominations, Commissioner Denning was elected Vice President for the next 12 month period.

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 17-85.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Margaret Barton $ 4,891.96

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE: (DEATH)

Dorothy Borchelt-Kruger $ 5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE & RELEASE:

Turhan Burton $ 600.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

John Grizzel $12,500.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

James Johnson $80,000.00

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Turhan Burton

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
James McLaughlin

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Herman Williams

j) REQUEST FOR TWO BOARD MEMBERS AND ONE STAFF TO ATTEND COUNCIL OF INSTITUTIONAL INVESTORS, APRIL 8 & 9 IN LOS ANGELES, CA.

ACTION: It was moved by Gibson, seconded by Driscoll to adopt the Consent Calendar; motion passed 6-0.

REGULAR CALENDAR

ITEM

1. REPORT RE COST OF LIVING ADJUSTMENT FOR 1986.

Clare M. Murphy, General Manager presented a written and oral report to the Board on the proposed Cost-of-Living Adjustment for 1986. The Board reviewed and discussed the proposal.

ACTION: It was moved by Gibson, seconded by Walker to adopt the recommended 2% Cost-of-Living Adjustment for 1986; motion passed, 6-0.

2. PRESENTATION OF THE GREENWICH REPORT ON PUBLIC PENSION FUNDS;

Clare M. Murphy and DeWitt Bowman, Chief Investment Officer presented an oral report summarizing the Greenwich Report on Public Pension Funds. The Board engaged in a Question and Answer session with staff regarding the results of this report. No action taken; this was an information item only.

3. RESOLUTION RE TRAVEL TO THE COUNCIL OF INSTITUTIONAL INVESTORS MEETINGS:

Clare M. Murphy presented a Resolution regarding Travel to the Council of Institutional Investors meetings. The Board reviewed the proposed resolution.

ACTION: It was moved by Gibson, seconded by Weisberg to adopt the resolution Re Travel to the Council of Institutional Investors Meeting; motion passed, 6-0. (Resolution attached).

NOTE: The Board then had a lengthy discussion on an agenda item; The Shareholder Bill of Rights which is scheduled for discussion at the upcoming council meeting.

4. HEARING OFFICER DECISIONS:

GERSHATER, Nina
SFGH - 2312 LVN
Ordinary Disability
Effective date: Sept. 21, 1985 GRANTED

HANN, Alline
SFUSD - 2630 School Luncheon Cook
Ordinary Disability
Effective Date: Dec. 1, 1985 GRANTED

MC INNIS, Leon
MUNI - 9163 T. O.
Ordinry Disability
Effective Date: Sept. 1, 1985 GRANTED

ROBBINS, Travis
MUNI - 9139 Transit supevisor
Ordinary Disability
Effective Date: Feb. 5, 1986 GRANTED

ULLMANN, Florence
SFUSD - 1426 Sr. Clerk Typist
Ordinary Disability
Effective Date: Nov. 29, 1985 GRANTED

ACTION: It was moved by Driscoll, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 6-0.

INVESTMENT CALENDAR

ITEM

1. RENEGOTITAION OF CIMCO INVESTMENT MANAGER FEES:

DeWitt Bowman presented a written and oral request for the Renegotiation of CIMCO Investment Manager Fees. The Board reviewed and discussed the proposal with Mr. Bowman.

ACTION: It was moved by Denning, seconded by Weisberg to accept staff's recommendation to adjust the CIMCO investment management fee and calculate it as a percentage of the market value of the assets under management; motion passed, 6-0.

2. REVIEW OF THE LATEST QUARTERLY PERFORMANCE OF COLDWELL BANKERS FUNDS III - IV AND UPDATE ON FUND VIII:

Carolyn Hamilton, Assistant Chief of Investments presented a written and oral review of the Latest Quarterly Performance of Coldwell Banker Funds III - IV and an Update on Fund VIII. The Board engaged in a Question and Answer session regarding the performance of these real estate funds with respect to the total performance of the pension fund. No action was taken on this report, it was an information item only.

3. ASSET ALLOCATION PROGRAM PRESENTATION BY DR. FRANK SORTINO:

Dr. Frank Sortino of the Pension Research Institute presented a written and oral report to the Board on the Asset Allocation Program. The Board reviewed and discussed the program with Dr. Sortino and staff. No action was taken on this report, it was an information item only.

SUPPLEMENTAL CALENDAR

ITEM

1. SHAREHOLDER PROPOSALS:

A) The Travelers Corporation.

		FOR	AGAINST
1.	Number of common shares for issuance to be increased to $300,000,000.	4	2
2.	Authorize $25,000,000 shares of preferred stock at discretion of Board.	3	3
3.	Pre-emptive rights of current common shareholders would be eliminated.	0	6
4.	Shareholder sponsored proposal requiring company to publish contribution statement in the Wall Street Journal and newspapers of ten major cities.	4	2

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Philip J. Lee, Jr. $832.19

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Kathryn L. Sullivan	$924.38

4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Jennifer J. Thompson	$803.19

5. HEARING OFFICERS DECISION:

CATCHINGS, Letty (widow Harry) MUNI RR Continuation of Allowance	DENIED

ACTION: It was moved by Gibson, seconded by Denning to adopt items 2, 3 and 4 as consent items and to accept item 5, the Hearing Officer Decision; motion passed 6-0.

GENERAL MANAGER'S REPORT

The General Manager Reported that:

1. She wished to ascertain which Board Members would be able to attend the Hahn, Holland Luncheon on Friday March 21, 1986.

2. The Claims and Judgement Charter Amendment had been adopted by the Board of Supervisors at Monday's Board Meeting. President Ashe requested that an opinion be obtained from the City Attorney on the exclusion of Worker's Compensation Claims with respect to the Charter Amendment. Staff will prepare a draft request.

3. The CALAPRS General Assembly meeting will be held April 25, 1986 in Sacramento, CA. Request to attend will be submitted at the next Board meeting.

4. The luncheon for Leon Bruschera was held Friday, March 7, 1986 and all who attended had a grand time.

BOARD MEMBERS

President Ashe informed the Board and staff of a problem he wanted considered; regarding inequities in pensions for employees who became members of the system after 1976 but were actual employees prior to 1976. He described a case of one woman who had worked with the city for 19 years but had just become permanent, and thus was admitted to the system under plan II.

President Ashe also informed the Board of employees who had mentioned investment counselors offering guidance and information regarding the contribution "offset." President Ashe request staff to supply the Board with the approximate number of members who are on a reduced contribution plan.

There being no further business, the Board adjourned at 5:50 P.M.

Respectfully submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Marianne Raulino

March 11, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 25, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 11, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 18-85.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Paul Johnson $19,194.24

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alfred Klinger $39,250.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Peter McConarty and
Robert Ross $26,792.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Lars Olsen $45,000.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jack Paulsen $18,900.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE & RELEASE:
Eddie Robertson $ 2,000.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Angela Spell $ 500.00

i) REQUEST TO DISMISS APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT:
Herbert L. Cook

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Valerie Agard

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Hope Giles

ACTION: It was moved by Gibson, seconded by Weisberg to adopt the Consent Calendar; motion passed 5-0.

March 25, 1986

INVESTMENTS CALENDAR

ITEM

1. PRESENTATION BY COLDWELL BANKER RE PERFORMANCE FOR YEAR ENDING DECEMBER 31, 1985:

   Representatives from Coldwell Banker Real Estate rendered a written and oral presentation to the Board on the performance of the pension funds' real estate holdings for the year ending December 31, 1985. The Board engaged in a Question and Answer session with the Coldwell representatives regarding specific properties held in various locations and the economic outlook for real estate in those locations. No action was taken by the Board on this report.

   NOTE: President Ashe arrived during the Coldwell presentation.

2. REPORT RE PENSION RESEARCH INSTITUTE:

   DeWitt Bowman,Chief Investment Officer, presented a written and oral report to the Board on the contractual arrangement with the Pension Research Institute. The Board reviewed and discussed the recommendation with Mr. Bowman.

   ACTION: It was moved by Denning, seconded by Walker to approve staff's recommendation of continuing the contractual relationship with the Pension Research Institute at a lower level for the balance of the year; motion passed; 6-0.

3. INTERNATIONAL INVESTMENTS PROGRESS REPORT:

   DeWitt Bowman presented a brief oral progress report on the International Investment Manager Search. Thirty-five of the thirty-six firms have responded to the questionnaire and DeWitt and his staff are in the process of extracting the performance ratings of each firm. The Board did not take action on this report it was an information item only.

4. REPORT RE SHAREHOLDER BILL OF RIGHTS FOR COUNCIL OF INSTITUTIONAL INVESTOR MEETING:

   DeWitt Bowman presented an oral update on the Shareholder Bill of Rights for the Council of Institutional Investor Meeting. The Board reviewed and discussed the proposal. No action was taken by the Board on this item.

5. PROXY VOTES - APPROXIMATELY 13 PROPOSALS FROM VARIOUS COMPANIES - REQUIRES BALLOT VOTE:

	FOR	AGAINST
1. American Electric Power:		
Shareholder Proposal: Require Company to report any actions on Acid Rain Control Programs	5	1
2. Intel Corp:		
Company sponsored "fair price" provision	6	0
3. B. F. Goodrich		
Shareholder Proposals:		
a. Requiring outside auditors to file a statement about involvement with any SEC questioned statements where earnings were then adjusted to reflect losses.	4	2
b. Cumulative Voting	5	1
4. American Telephone & Telegraph		
Shareholders Proposals:		
a. Outside directors not permitted to serve on the Board once they retire from own corporation	0	6
b. Cumulative Voting	5	1
c. Require Company to terminate contract to manage nuclear weapons of the Sandia National Laboratories.	1	4
	(1 abstained)	

ACTION: It was moved by Weisberg, seconded by Denning to allow Bonnie Gibson to abstain from the voting due to a conflict of interest; motion passed, 6-0.

	FOR	AGAINST
5. Avon Products Inc.		
Company Sponsored		
a. Any merger in excess of 25,000,000 would require approval of majority of disinterested directors or shareholders. Also prohibit purchase of stock in excess of market prices.	4	2
b. Institute a classified board with three classes with one-third subject to annual approval.	2	4
6. C. R. Bard, Inc.		
Company proposal to authorize increase of common shares to 150,000,000 and authorize directors to set terms on 5,000,000 shares of preferred stock without pre-emptive rights. The same proposal would also classify directors on a three-year basis,	1	5
7. Celanese Corp.		
Shareholder proposal not supported by the company which would impose restrictions on new stock option plans.	1	5
8. Chemical New York Corp.		
Shareholder Proposals:		
a. The company would be required to publish a list of employees who in the last five years held any governmental position that would have a bearing on the company.	2	4
b. The company would be required to prepare a report on all international debt, listing loans to developing countries.	1	5

9. Melville Corp.

Company Proposals:		
a. Common stock increased to 150,000,000 without pre-emptive rights.	5	1
b. Fifty million shares of preferred stock be authorized without pre-emptive rights.	1	5
c. A "Fair Price" amendment	6	0

10. Merck & Co.

Shareholder proposal to have directors elected annually.	4	2

11. J. P. Morgan & Co.

Shareholder Proposals:		
a. Fixed dollar ceiling on amount paid to any executive in excess of the limits provided by ERISA.	0	6
b. Directors cannot serve on board after retired from own corporation.	0	6
c. Bank prohibited from making new loans to any sector in South African economy.	2	4
d. Comparable Worth Policy.	3	3

REGULAR CALENDAR

ITEM

1. REQUEST AUTHORIZATION TO ATTEND THE GENERAL ASSEMBLY MEETING OF CALAPRS APRIL 23, 1986 IN OAKLAND, CALIFORNIA:

Clare M. Murphy, General Manager reported that travel to Oakland does not need to be authorized. She requested the Board indicate to her if they plan to attend the CALAPRS meeting. No action was taken by the Board on this item.

2. REPORT RE COURT REPORTING SERVICES:

Pam Levesque, Executive Assistant to the General Manager presented a written and oral report on the Retirement Board's Court Reporting services. The Board reviewed and discussed the proposal with Ms. Levesque.

ACTION: It was moved by Denning, seconded by Gibson to approve staff's recommendation to hire a new court reporting service Paperworks on a trial basis for the balance of the fiscal year; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She presented a schedule of upcoming Board meetings. The Board decided to cancel the meeting of April 8, 1986 and to hold a meeting on April 15, 1986.

2. She reminded all Board members to submit their Conflict of Interest Forms. After April 30, 1986 there is a $10.00 per day fine.

3. She informed the Board on the progress of the various PERS transfer projects. The 43 Institutional Police will be transferred on May 31, 1986.

4. She informed the Board that the latest George B. Springman contract was returned for lack of the proper purchasers' South Africa attachment. Staff will resubmit the contract with a City Attorney's opinion regarding the Retirement Board's sole authority over investment matters. She will forward a copy to all Board members and keep everyone informed of the progress of this situation.

5. She reviewed the proposed Charter Amendments that may impact the Board. Propositions A, D and F will be on the June Ballot. She will make copies of all final language of these Amendments and forward them to the Board.

BOARD MEMBERS

President Ashe reported that he attended the CALAPRS Trustees Roundtable in Sacramento on Thursday, March 20, 1986. The most significant item was the preparation of a fiduciary handbook and the search for fiduciary liability insurance.

There being no further business, the Board adjourned at 5:45 P.M.

Respectfully submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Marianne Raulino

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 15, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 25, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 19-85

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Bertha Burnside $11,580.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Jenna Carpenter $ 5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Victor Cellis $ 1,770.97

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Joseph Flanders $ 339.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
COMPROMISE AND RELEASE:
Gloria Garrett $ 700.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mark Madsen $ 3,198.72

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
COMPROMISE AND RELEASE:
William Scott $ 1,175.00

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
COMPROMISE & RELEASE:
Peter Young $ 438.33

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lawrence Dow

k) Request to authorize one Retirement System staff to attend the Public Risk and Insurance Management Association Annual Conference in Boston, Mass. June 8-11, 1986.

ACTION: It was moved by Denning, seconded by Driscoll to adopt the Consent Calendar. Motion passed, 5-0 (Walker absent).

April 15, 1986

INVESTMENTS CALENDAR

ITEM

1. INTERNATIONAL INVESTMENT REPORT.

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report to Board on the status of the International Investment Manager Search. The Board reviewed and discussed the twelve finalist firms and decided on an interview schedule for the managers.

   ACTION: It was moved by Denning, seconded by Gibson to adopt staff's recommendation of the twelve finalists and the schedule of interviews for the international investments managers; motion passed, 5-0.

2. PROXY VOTES - REQUIRES BALLOT VOTE.

   The Board had for consideration approximately 50 shareholder proposals which were voted by ballot, the results of which are attached.

REGULAR CALENDAR

ITEM

1. MUNI PLATFORM WORKERS REFUND REPORT.

   Clare M. Murphy, General Manager, rendered a written and oral report on the MUNI Platform Workers Refund Project. Representatives from TWU Local 250(A) were also present to support the item. The Board reviewed and discussed the item with staff and TWU representatives.

   ACTION: It was moved by Gibson, seconded by Weisberg to accept staff's recommendations for the refund procedures for the MUNI Platform Workers Refund Project; motion passed, 5-0.

   Note: Commissioner Walker arrived at this time.

2. REPORT RE HARTFORD VARIABLE ANNUITY LIFE INSURANCE COMPANY STOCKHOLDERS MEETING.

   F. Walter Johnson presented a written and oral report to the Board on the Annual Stockholders Meeting of the Hartford Variable Annuity Life Insurance Company. Two proxies were voted favorable in accordance with the Board's Policy. There was no action taken on this report, it was an information item only.

3. 1986 CHARTER AMENDMENT REPORT.

Clare M. Murphy presented a written report on the 1986 Charter Amendments that relate to the Retirement Board. She also presented a reply from the City Attorney's office on Proposition A reiterating that the Workers' Compensation division will not be affected by this Proposition. The Board then voted their positions on Propositions A, D, and F.

ACTION: It was moved by Denning, seconded by Gibson to support Proposition A; on a vote of 3-3, the Board took no position.

ACTION: It was moved by Walker, seconded by Driscoll to oppose proposition D; on a vote of 4-2, the Board took no position.

ACTION: It was moved by Denning, seconded by Weisberg to oppose Proposition F; on a vote of 5-1, the Board supported this Proposition.

Note: In order to take a position in Legislative matters, the Retirement Board must have five concurring votes.

4. HEARING OFFICER DECISIONS:

LEPTICH, Jacob H. PH/LHH - Physician Specialist Ordinary Disability Effective Date: Oct. 19, 1985	GRANTED
PHILLIPS, Johnny W. Police - 0380 Inspector Industrial Disability	DENIED
SCHNEIDER, Ronald D. Police - 0380 Inspector Industrial Disability	DENIED
SHEEHAN, David W. Police - Q-60 Lieutenant Industrial Disability Effective Date: March 20, 1985	GRANTED
STEVENSON, Gerald D. SFGH - 2532 Paramedic Ordinary Disability Effective Date: February 1, 1985	GRANTED
WILLIAMS, Hattie (Alex T.) Police Department Continuation Date of Death: February 25, 1984	DENIED

ACTION: It was moved by Gibson, seconded by Denning to accept the Hearing Officer Decisions; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She had included information regarding pending state legislation in the calendar packets. The two items were regarding Fiduciary Liability Insurance and a proposed council on Investment priorities. The Board discussed the pending legislation.

2. She had attended the Mayor's Budget session. Also in attendance were President Ashe and Commissioner Gibson. The Budget staff proposed a $20,000.00 cut in contractual expenses which includes exams and workstations. The Mayor has chosen to reserve judgement on the Workers' Compensation Data Processing system until June 1, 1986.

BOARD MEMBERS

Dr. Weisberg presented an oral report on his attendance at the Los Angeles meeting of the Council of Institutional Investors. A revised version of the Shareholder Bill of Rights will be forthcoming and all who were in attendance at the meeting seemed to be in favor of the Bill.

There being no further business, the Board adjourned at 5:30 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcipt was made of this meeting by

Court Reporter: Dawn Lofton

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 29, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 15, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 20-85

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Olivia Cain $4,750.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELEASE:
Rita G. Cortes

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Ralph E. Domer $ 900.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELEASE:
Allan Duncan $ 495.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELASE:
David Herrera $2,037.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELEASE:
James L. Winston $2,100.00

ACTION: It was moved by Driscoll, seconded by Gibson to adopt the Consent Calendar; motion passed, 5-0 (Denning absent)

INVESTMENTS CALENDAR

ITEM

1. Staff Report on Performance of Internal and External Equity Managers for the period ending March 31, 1986.

   Carolyn Hamilton, Assistant Chief of Investments rendered a written and oral report on the Performance of the Internal and External Equity Managers for the period ending March 31, 1986. Ms. Hamilton summarized the activities of the external managers in relation to the styles for which they were hired. She also discussed the internal equity portfolio's performance and the general economic condition of the market. The Board reviewed and discussed the report with Ms. Hamilton. No action was taken on this report.

   Note: Commissioner Denning arrived at this time.

2. Staff Report on Performance of Internal and external Fixed Income Managers for the period ending March 31, 1986.

   Diane E. Gale, Assistant Chief of Investments rendered a written and oral report on the Performance of the Internal and External Equity Managers for the period ending March 31, 1986. Ms. Gale summarized the activities of the external managers in relation to the styles for which they were hired. She also discussed the performance of the internal portfolio and the economic condition of the fixed income market. The Board engaged in a question and answer session with Ms. Gale. No action was taken on this report.

   Note: Commissioner Denning and Commissioner Walker thanked Ms. Gale for her outstanding service to the Retirement System and wished her the best in her new endeavors.

3. Staff recommendation on allocation of Funds for the period ending July 31, 1986.

   DeWitt Bowman, Chief of Investments presented a recommended allocation of investment funds for the period ending July 31, 1986. The Board reviewed and discussed the allocation with Mr. Bowman.

   ACTION: It was moved by Weisberg, seconded by Walker to approve staff's recommendation on the Allocation of Funds for the period ending July 31, 1986; motion passed, 6-0 (Allocation of Funds statement attached).

   Note: John Simpson and Jakee Ford of the Retired Employees Association addressed the Board for their gratitude on the Board's approval of the 1986 Cost-of-Living Adjustment.

4. Proxy votes - Requires Ballot Vote.

   The Board had for consideration approximately 30 shareholder proposals which were voted by ballot, the results of which are attached.

5. Chief Investment Officers Report

A. He presented a preliminary schedule for the International Investment Manager Interviews for the month of May. The Board reviewed the schedule with Mr. Bowman and the schedule was adopted.

B. He presented a written and oral summary on the Implementation of the South African Investment Restriction through the period ending March 31, 1986. The Board engaged in a question and answer session with Mr. Bowman. He also informed the Board of the yearly report that he is preparing on the total impact of the divestment restriction on the Fund's portfolios.

REGULAR CALENDAR

ITEM

1. Resolution commending Assistant Chief of Investments, Diane E. Gale.

ACTION: By unanimous acclamation, the Board adopted a Resolution commending Assistant Chief of Investments, Diane E. Gale on her outstanding service to the Retirement System, on the occassion of her resignation.

2. Hearing Officer Decisions.

BRADY, Alvin
PUC Water Department - 7344 Carpenter
Ordinary Disability
Effective Date: Nov. 1, 1985 GRANTED

HANSEN, Ronald D.
Police Department - Q-50 Sgt.
Industrial Disability
Effective Date: December 14, 1985 GRANTED

JOHN, Elton E.
Fire Department - 7388 Utility Plumber
Industrial Disability
Effective Date; October 1, 1985 GRANTED

WICKLUND, Jacquie
Airport - 9202 Airport Comm Operator
Ordianry Disability
Effective Date: February 1, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Denning to accept the Hearing Officer Decisions; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Edmund R. Brewer $6,915.00

   ACTION: It was moved by Walker, seconded by Weisberg to adopt the Settlement of Disputed Claim; motion passed, 6-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Calvin Lambert $1,250.00

   ACTION: It was moved by Weisberg, seconded by Gibson to adopt the Settlement of Disputed Claim; motion passed, 6-0.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Shedrick Martin $48,000.00

   ACTION: It was moved by Weisberg, seconded by Denning to adopt the Settlement of Disputed Claim; motion passed, 6-0.

4. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Allen Rueb $17,000.00

   ACTION: It was moved by Walker, seconded by Driscoll to adopt the Settlement of Disputed Claim; motion passed, 6-0.

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:

   Bell, Michael S.

   ACTION: It was moved by Denning, seconded by Driscoll to accept the request to withdraw funds from Deferred Compensation; motion passed, 6-0.

6. REQUEST FOR APPROVAL TO ALLOW THREE ACCOUNTANTS TO ATTEND THE "GOVERNMENTAL ACCOUNTING, REPORTING AND AUDITING UPDATE" IN SACRAMENTO, CA., JUNE 12, 1986.

   ACTION: It was moved by Weisberg, seconded by Gibson to authorize the request to allow three accountants to attend the Governmental Accounting, Reporting and Auditing Update in Sacramento, CA., June 12, 1986; motion passed, 6-0.

7. HEARING OFFICER DECISION:

CROSBIE, Lloyd F.
Police Department - Q-80 Captain-Police
Industrial Disability
Effective Date: December 26, 1984 GRANTED

ACTION: It was moved by Denning, seconded by Gibson to accept the Hearing Officer Decision; motion passed, 6-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

She had included in the packet an informational item on a S. F. Chronicle article on tax bills and their effect on pension funds. The Board discussed the article with Ms. Murphy.

BOARD MEMBERS

President Ashe reported on the CALAPRS conference that he attended last week. He discussed several topics that were presented. The Board discussed these for a brief period.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a Retirement System Personnel issue.

The Board reconveyned in open session and announced that they had reviewed the staffing and organization of the Investments Division and that they had taken No Action.

There being no further business, the Board adjourned at 6:00 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Richard Walker

April 29, 1986

April 23, 1986

San Francisco City and County
Employees' Retirement System Recommended
Asset Allocation for the Quarter Ending July 31, 1986

Funds Analysis

Investment Reserves as of March 31, 1986	$206,770,040
Projected net cash additions for the quarter	18,000,000
Projected dividend income for the quarter	7,228,707
Projected interest income for the quarter	44,116,648
Total funds	$276,115,395
Funds previously allocated	231,504,996
Total funds available	$ 44,610,399

Recommended Cash Flow Allocation for the Quarter ending July 31, 1986

Equities

Equity Index Fund	$ 1,217,996
Internal Equities	850,420
Coldwell Banker	-----
Loomis Sayles	1,017,061
CIMCO	1,026,988
George Springman	1,126,402
McCullough, Andrews	396,601
Hahn, Holland	415,824
Furman Selz	454,525
Nicholas Applegate	39,150
Hanson Investment Mgt.	675,805
International Manager	100,000,000
Total Equity	$107,220,772

Fixed Income

Internal Active	($192,958,085)
Sinking Fund	-----
Private Placements	-----
California Mortgages	20,000,000
MacKay Shields	3,088,183
Lehman Asset Mgt.	2,250,869
Bankers Trust Co.	1,921,192
Scudder Stevens & Clark	3,087,968
International Manager	100,000,000
Total Fixed Income	($ 66,610,373)
Total Allocated	$ 44,610,399

PROXY BALLOT

	FOR	AGAINST
AMR Corporation		
Shareholder Proposals:		
1. Prohibit outside directors from serving once retired	1	5
2. Restore limited pre-emptive rights	6	0
Amerada Hess		
Shareholder Proposal:		
1. Require company to divide its properties into 3 separate companies	0	6
American International Group		
Company Sponsored Proposals:		
1. Authorize amount of common stock to be tripled	3	3
2. Authorize 6,000,000 shares of preferred stock without pre-emptive rights	0	6
Shareholder Proposal:		
1. Terminate all activities in South Africa	2	4
Bank America Corporation		
Company Sponsored Proposal:		
1. Resolution adopting no shareholder action could transpire except at an annual meeting	1	5
Shareholder Proposals:		
1. No charitable contributions unless to further business interest of company.	0	6
2. Prohibit any new loans to any sector of South Africa	1	5
3. Require the Bank in less developed countries where human rights are guaranteed to reschedule loans to 20 at no more than 1/2% above LIBOR and recapitalize so than annual service payments do not exceed 10% of total exports	0	6

April 29, 1986

	FOR	AGAINST
Bethlehem Steel		
Shareholder Proposal:		
1. Restore pre-emptive rights	6	0
Carolina Power and Light		
Shareholder Proposal:		
1. Issue Annual report on risks of shareholder's investment in plants under construction and the competition from unregulated alternatives	2	4
Champion International		
Company Proposal:		
1. Redesignate outstanding issue of preferred stock, series A without pre-emptive rights	0	6
Chrysler Corpoartion		
Shareholder Proposal:		
1. Adopt cumulative voting	6	0
Columbia Gas System		
Company Sponsored Proposals:		
1. 80% vote to remove directors and establish classified board	0	6
2. Special meetings to held only by majority of board	0	6
3. 80% vote to change by laws	0	6
Comsat		
Shareholder Proposal:		
1. Publish political contributions in major U. S. Newspapers	1	5
Consolidated Edison		
Shareholder Proposals:		
1. Directors no longer serve once retired	0	6
2. Adopt cumulative voting	6	0
Consolidated Natural Gas		
Shareholder Proposal:		
1. Adopt cumulative voting	6	0
Idaho Power		
Company Proposal:		
1. Implement classified Board, directors retire at 70, adopt fair price amendment, 4/5 supermajority to effect business combinations	0	6

April 29, 1986

	FOR	AGAINST
Jefferson-Pilot Corporation		
Company Sponsored Proposals:		
1. Require classified Board require 80% supermajority to remove directors	0	6
2. Fair price amendment and establish 80% supermajority to effect certain business mergers	0	6
K Mart Corporation		
Company Sponsored Proposals:		
1. Establish classified Board reduce directors to 7, allow directors to be removed only for cause	0	6
2. Amend employee stock option to allow lower year limitation	1	5
Lockheed Corporation		
Company Proposal:		
1. Change state of incorporation to Delaware	0	6
Loews Corporation		
Shareholder Proposals:		
1. Require Board to form nominating committee of outside directors to propose directors	1	5
2. Direct future directors to serve terms of no more that six years	0	6
MCI Corporation		
Company Sponsored Proposal:		
1. Remove current voting restrictions	6	0
McDonalds Corporation		
Company Sponsored Proposal:		
1. Authorize 40 million shares preferred stock without preemptive rights	0	6
Minnesota Mining & Manufacturing		
Company Sponsored Proposals:		
1. Establish classified Board, remove directors only for cause, 80% vote to alter board classification amendment	0	6
2. Shareholder action taken on at scheduled meetings	0	6
3. Permit merger only with 80% shareholder approval and fair price amendment	0	6

	FOR	AGAINST
Ogden Corporation		
Shareholder Proposal:		
1. Require disclosure of audit fees paid	2	4
Pam Am Corporation		
Shareholder Proposals:		
1. Restore limited pre-emptive rights	6	0
2. Require company to distribute common stock to employees equal in market value to the amount of employee wage concessions since January 1, 1983	1	5
3. Require company to nominate three directors for election to the Board from among five employee unions	1	5
J. C. Penney		
Shareholder Proposal:		
1. Adopt cumulative voting	6	0
Pepsico Corporation		
Shareholder Proposal:		
1. Incentive plan changes	3	3
Polaroid Corporation		
Shareholder Resolution:		
1. Require company not to accept materials from or ship materials to a country using slave labor & report all contracts with communist companies	1	5
Santa Fe Southern Pacific Corporation		
Shareholder Proposal:		
1. Require the company to report on its obligations to carry nuclear materials	2	4
Waste Management Inc.		
Company Sponsored Proposals:		
1. Double amount of authorized common stock, authorize 50,000,000 preferred stock without pre-emptive rights	0	6
2. "Golden Parachute" stock option	0	6

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 13, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Paul F. Denning	Vice-President
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 29, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

1. CALLAN ASSOCIATES INVESTMENT REVIEW FOR THE QUARTER ENDING MARCH 31, 1986.

   Representatives from Callan Associates, Mr. Ron Peyton and Mr. Russ Blumenthal, presented a written and oral report on the performance measurement of the Retirement System's investment portfolio the quarter ending March 31, 1986. Following the completion of the report, Board members, staff, Mr. Peyton and Mr. Blumenthal exchanged comments on the reports. No action was taken by the Board.

2. PRESENTATIONS BY EXTERNAL FIXED INCOME MANAGERS FOR THE QUARTER ENDING MARCH 31, 1986.

   Representatives of the following firms, investment managers of the fixed income portion of the Retirement System's portfolio, rendered written and oral reports on the status of fixed income performance for the quarter ending March 31, 1986:

   MacKay Shields Financial Corporation

   Lehman Asset Management Corporation

   Bankers Trust Company

   Scudder, Stevens and Clark

   The Board members and staff exchanged viewpoints and comments on portoflio performance. The firm representatives also discussed current and projected economic conditions. No action was taken on these reports.

3. PROXY VOTES - REQUIRES BALLOT VOTE.

Federated Department Stores	FOR	AGAINST
Company-sponsored proposal:		
1. Double number of authorized Common stock. Each share would be able to purchase preferred stock at directors discretion.	1	4
Shareholder proposal:		
1. Cumulative Voting	4	1

May 13, 1986

	FOR	AGAINST
General Re Corporation		
Company-sponsored proposal:		
1. Double authorized common stock, split 2 for 1, issue 20 million shares preferred stock set at directors discretion without pre-emptive	0	5
2. Permit directors to be removed only for cause, eliminate ability of shareholder action by written consent outside of regular annual meetings except preferred shareholders, fair price provision, anti-greenmail provision, 60% super majority.	0	5
Oklahoma Gas & Electric		
Company sponsored proposal:		
1. Fair price amendment, classified Board 80% majority to remove directors, prohibits shareholder action except at regular or special meetings, 80% supermajority.	0	5
Southern Company		
Shareholder proposal:		
1. Company should rotate site of annual meeting	0	5
2. Cease purchases of coal from South Africa	1	4

4. CHIEF INVESTMENT OFFICER REPORT.

The Chief Investment Officer reported that:

1. He was in the process of arranging a panel on Venture Capital for presentation to the Board. There will be five participants and the presentation is tenatively scheduled for the first regularly scheduled meeting in July.

2. The tenative schedule for Investment Interviews is now the permanent schedule.

3. A request for action had been submitted from the Coldwell Banker representatives to amend the original articles in CB Fund VIII and reopen the fund to allow an additional 4 million dollar investment from an outside source.

ACTION: It was moved by Weisberg, seconded by Walker to approve the request to amend the original articles of the Limited Partnership agreement and let an additional 4 million dollars into the CB VIII Fund; motion passed 5-0.

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 21-85

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT -
Miguel Cosio $ 6,325.55

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jeffrey Ranta $55,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Duff Rodgers $ 2,145.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Robert Sebanc $24,450.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alvin Sered $27,560.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
John G. Thomas $ 1,999.47

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:
Roland Wing $ 3,200.00 + C&R

i) DISMISSAL OF APPLICATION FOR DISABILITY RETIREMENT:
Guy Markell

ACTION: It was moved by Weisberg, seconded by Walker to adopt items a)-h) and to remove item i) of the Consent Calendar; motion passed, 5-0.

NOTE: Item i) will be carried over to the next regularly scheduled Board meeting pending further notification of the applicant.

REGULAR CALENDAR

ITEM

1. RETIREMENT SYSTEM INVESTMENT DIVISION BUDGET FOR FISCAL YEAR 1986-1987.

   Clare M. Murphy, General Manager and Rudolph Hernandez, Deputy General Manager of Operations and Finance presented a written and oral report on the Investment Division Budget for Fiscal Year 1986-1987. The Board reviewed and discussed the budget with staff.

   ACTION: It was moved by Gibson, seconded by Weisberg to approve the Retirement System Investment Division Budget for Fiscal Year 1986-1987; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE THIRD ANNUAL WEST COAST TAXABLE FIXED INCOME CONFERENCE JUNE 12-14, 1986 IN CARMEL, CALIFORNIA.

   ACTION: It was moved by Walker, seconded by Gibson to approve the request for one staff member to attend the Third Annual West Coast Taxable Fixed Income Conference June 12-14, 1986 in Carmel, California; motion passed 5-0.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Nick Mayo $1,000.00 + C&R

   ACTION: It was moved by Walker, seconded by Driscoll to accept the Settlement of Disputed Claim for Nick Mayo; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. A Callan Institute on performance based management fees will be held June 11, 1986 at the Mark Hopkins Hotel. All interested Board members should notify the General Manager's office.

2. She gave the Board an announcement of the retirement luncheon that will be held for Granville DeMerritt, Actuary, on June 24, 1986 at 12 Noon at the San Franciscan Hotel. The Retirement Board meeting will be moved to 2:00 PM on that day.

3. The Mayor had approved the Workers' Compensation Division MIS data processing system and that the Mayor had approved the Workers' Compensation Budget for 1 million dollars over the requested amount which represents a better estimate of the actual costs.

4. Mr. Bolt from Metropolitan Life Pension Division has invited the Board to lunch Thursday, June 5, 1986. All those interested should let her know.

5. She wanted to thank the Board for allowing her to attend the NCPERS Conference in Boston. She felt it was a very beneficial meeting.

BOARD MEMBERS

The Board members who attended the NCPERS Conference in Boston discussed relevant issues that were discussed at the conference.

There being no further business, the Board adjourned at 5:30 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A Transcript was made of this meeting by

Court Reporter: Dawn Lofton

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

THURSDAY, MAY 15, 1986

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Samuel W. Walker	Commissioner
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

Special Meeting

Thursday, May 15, 1986

A meeting of the Retirement Board was conducted to interview potential International Equity Managers for the Retirement System Trust Fund.

The following firm's representatives rendered written and oral presentations describing the the styles in which they manage funds.

Baring International Investment, Ltd.
Brown Brothers Harriman & Co.
Morgan Grenfell Investment Services
ABD International Mgt. Corp.

The Board and Staff engaged in a question and answer session with the firms representatives.

No action was taken on these presentations.

There being no further business,
the Board adjourned at 5:30

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Dawn Lofton

May 15, 1983

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 20, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

Regular Meeting

Tuesday, May 20, 1986

A meeting of the Retirement Board was conducted to interview potential International Equity Managers for the Retirement System Trust Fund.

The following firm's representatives rendered written and oral presentations describing the styles in which they manage funds:

Putnam International Advisors
GT Capital Management, Inc.
Alliance Capital Management
Capital Guardian Trust Company

The Board and staff engaged in a question and answer session with the firms representatives.

No action was taken on these presentations.

There being no further business, the Board adjourned at 6:00 PM

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Dawn Lofton

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 27, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

RETIREMENT BOARD

Regular Meeting

Tuesday, May 27, 1986

A meeting of the Retirement Board was conducted to interview potential International Fixed Income Managers for the Retirement System Trust Fund.

The following firm's representatives rendered written and oral presentations describing the styles in which they manage funds:

Travelers Hill Samuel

BA Investment Management Corporation

First Chicago Investment Advisors

Warburg Investment Management, Intl.

The Board and staff engaged in a question and answer session with the firms representatives.

No action was taken on these presentations.

There being no further business, the Board adjourned at 6:00 PM.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by
Court Reporter: Dawn Lofton

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JUNE 3, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, May 13, 1986
Minutes of Special Meeting, May 15, 1986
Minutes of Regular Meeting, May 20, 1986
Minutes of Regular Meeting, May 27, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 22-85.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Anthony Ambra $ 5,408.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Marcia Baran $25,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Arthur Collins $ 2,500.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Walter F. Fuchigami $ 799.21

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Laura Helm 8,833.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
George Hollie $ 1,050.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Donald Kennealy $ 2,375.00

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Michael Ruggiero $ 775.00

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Barry Seid $ 1,700.00

k) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Alan Sonoda $ 6,570.00

l) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Yvonne Watson $ 5,498.38

m) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Margaret Williams $ 369.98

n) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Richard Austring

June 3, 1986

o) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Harriet K. Dunbar

p) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Maureen Hrenoff

q) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Felice P. Romano

r) REQUEST TO APPROVE APPLICATION FOR BIRTHDATE CORRECTION:
Alex F. Cornejo

s) REQUEST AUTHORIZATION FOR ONE BOARD MEMBER AND ONE STAFF TO ATTEND THE INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS BENEFITS CONFERENCE FOR PUBLIC EMPLOYEES JULY 20-23, 1986 IN SAN DIEGO, CA.

t) REQUEST AUTHORIZATION TO ATTEND THE VENTURE CAPITAL FORUM SEPTEMBER 14-16, 1986 IN CHICAGO, ILLINOIS.

ACTION: It was moved by Gibson, seconded by Walker to adopt the Consent Calendar with an amendment to item "s" so that it reflects two Board members and two staff members to attend the conference; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR APPROVAL OF TRANSFER OF FUNDS TO PERS FOR THE INSTITUTIONAL POLICE:

Clare M. Murphy, General Manager presented a written and oral request for approval of Transfer of Funds to PERS for the Institutional Police. The Board reviewed and discussed the request with Ms. Murphy. Ms. Murphy corrected the number of employees transferring from 20 to 22.

ACTION:It was moved by Gibson, seconded by Denning to approve the request of transfer of funds to PERS for the Institutional Police with the correction of 22 employees to transfer; motion passed 5-0.

2. RESOLUTION COMMENDING RETIREMENT SYSTEM ACTUARY GRANVILLE DEMERRITT.

ACTION: By unanimous acclamation, the Board adopted a Resolution commending Retirement System Actuary Granville DeMerritt on the occasion of his Retirement
(Resolution attached)

3. HEARING OFFICER DECISIONS:

ACKERMAN, Bernard
SOC. SERVICES - 2903 Elig.Worker
ORDINARY DISABILITY — DENIED

BUCKHOLZ, Richard J.
ORDINARY DISABILITY
Rec & Park - 3410 Asst. Gardener
EFFECTIVE DATE: April 1, 1986 — GRANTED

CHAN, Michael
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
EFFECTIVE DATE: August 20, 1985 — GRANTED

DeLAFORIEITITI, Delisa
SFGH - 2302 Orderly
ORDINARY DISABILITY
EFFECTIVE DATE: Dec. 1, 1985 — GRANTED

GUYMAN, Bridget
SHERIFF - 8304 Deputy Sheriff
PERS
EFFECTIVE DATE: June 23, 1986 — GRANTED

PHILLIPS, Fitcher L.
PH/SFGH -2656 Chef
ORDINARY DISABILITY
EFFECTIVE DATE: March 8, 1986 — GRANTED

TUVE, Michael
SOCIAL SERVICES - 2940 Child Welfare Worker
ORDINARY DISABILITY
EFFECTIVE DATE: June 12, 1986 — GRANTED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer Decisions; motion passed, 5-0.

Note: Dr. Weisberg arrived at this time.

INVESTMENTS CALENDAR

ITEM

1. SELECTION OF INTERNATIONAL INVESTMENT EQUITY MANAGERS:

DeWitt Bowman, Chief Investment Officer presented a written and oral report on the Selection of International Investment Equity Managers. The Board reviewed and discussed the selections with staff.

ACTION: It was moved by Weisberg, seconded by Gibson to hire Capital Guardian Trust, Morgan Grenfell and G.T. Capital Management for the International Investment Equity portion of the Retirement System Trust Fund; motion passed, 6-0.

2. SELECTION OF INTERNATIONAL INVESTMENT FIXED INCOME MANAGERS:

DeWitt Bowman presented a written and oral report on the selection of International Investment Fixed Income Managers. The Board reviewed and discussed the selections with staff.

ACTION: It was moved by Denning, seconded by Driscoll to hire First Chicago Investment Advisors and Warburg Investment Management International for the International Fixed Income portion of the Retirement System Trust Fund; motion passed, 6-0.

Note: Commissioner Walker left the meeting at this time.

3. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE INTERNATIONAL INVESTMENT MANAGERS:

DeWitt Bowman presented a written and oral report on the recommended allocation of Funds for the International Investment Managers. The Board reviewed and discussed the amounts to be allocated to the managers selected.

ACTION: It was moved by Weisberg, seconded by Driscoll to allocate 200 million dollars to the International Investment Managers with 100 million divided equally among the International Equity Managers and 100 million divided equally among the Fixed Income Managers; motion passed, 5-0.

4. AMENDMENT TO THE INVESTMENT SOUTH AFRICAN RESOLUTION:

DeWitt Bowman presented a written and oral report on the Amendment to the Investment South African Resolution. The Board engaged in a question and answer period with Mr. Bowman.

ACTION: It was moved by Weisberg, seconded by Denning to approve the Amendment to the Investment South African Resolution; motion passed, 5-0.

5. PROXY VOTES - REQUIRES BALLOT VOTE:

	FOR	AGAINST
Allied Stores.		
Shareholder Proposals:		
1. Rotation of Annual Meeting	0	5
2. Provide Pre-emptive rights to common shareholder.	5	0
Collins & Aikman Corp.		
Shareholder Proposals:		
1. Require cumulative voting.	5	0
Lowes Companies, Inc.		
Company sponsored Proposals:		
1. Issue 5,000,000 shares of preferred stock without pre-emptive rights.	0	5
2. Establish classified Board	0	5
3. Fair Price Amendment	4	1
4. Amend Company Charter if first three are approved.	4	1
Lucky Stores Inc.		
Company sponsored Proposals:		
1. Fair Price Amendment	4	1
2. Permit shareholder action only at annual or special meeting and not by written consent.	0	5
May Department Stores.		
Shareholder Proposal:		
1. Restore limited pre-emptive rights to common shareholders.	5	0
F. W. Woolworth Co.		
Shareholder Proposal:		
1. Restore pre-emptive rights to common shareholders.	5	0

June 3, 1986

6. CHIEF INVESTMENT OFFICER REPORT.

The Chief Investment Officer reported that:

1. He had submitted a report on the Real Estate holdings of the trust fund for the period ending March 31, 1986. The Board discussed the report with Mr. Bowman.

2. He had submitted a report on the performance of BA Investment Management International Ltd. with respect to the discrepancies discussed during their presentation.

3. The Securities Lending Program with Bankers Trust is proving very successful.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Harold Greenleaf $5,000.00

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Jimmie E. Wilson $3,000.00

3. APPLICATION FOR BIRTHDATE CORRECTION:

Doris Varnado

Note: The above items were taken as a single Action,

ACTION: It was moved by Driscoll, seconded by Denning to adopt the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. A schedule needed to be set up for the next several Board meetings to accomplish the Board's pending commitments.

The following schedule was agreed upon:

June 24, 1986 - Regular Meeting - 1:30 PM

July 1, 1986 - Executive Session - 5:30 PM
Meeting Re: Position of Actuary.

July 8, 1986 - Regular Meeting & Venture Capital Panel.

2. She wanted to remind the Board of the DeMerritt Retirement luncheon at noon on June 24, 1986 and the Bolt luncheon which will be held at Campton Place on Thursday, June 5, 1986.

BOARD MEMBERS

Dr. Raymond Weisberg presented a packet of information on the Council of Institutional Investors Shareholder Bill of Rights. The Board reviewed and discussed the information. A committee to include Commissioners Denning and Gibson was established to study the Shareholder Bill of Rights in depth and bring a full report to the Board for Action.

No action was taken at this time.

There being no further business, the Board adjourned at 5:40 P.M.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Suzanne Miller.

June 3, 1986

RESOLUTION

WHEREAS, Granville DeMerritt, Actuary of the Employees' Retirement System, has announced his retirement from City Service effective July 1, 1986 and,

WHEREAS, Granville DeMerritt's retirement will bring to a close a truly outstanding and prominent career in Civic Service and,

WHEREAS, Granville DeMerritt began his City Service as a Personnel Assistant with the Civil Service Commission and subsequently became the General Manager for the Civil Service Association, serving said Association for 16 years, and,

WHEREAS, Granville DeMerritt returned to City Service as Director of Personnel, Classified for the San Francisco Unified School District and subsequently joined the Employees' Retirement System in 1977 as the Executive Assistant to the General Manager, a position he served for five years until the Retirement Board appointed him Acting General Manager in 1983 and, a position he occupied until 1985 when he was appointed Actuary of the Employees' Retirement System, and,

WHEREAS, during Granville DeMerritt's tenure with the Employees' Retirement System he earned the utmost respect and admiration of elected and appointed officials and department heads, as well as many prominents leaders of the labor, business and management community,

NOW, THEREFORE, BE IT RESOLVED, that the Retirement Board and the entire staff of the Retirement System, does herewith congratulate Granville DeMerritt on the occasion of his retirement from City Service and with deep and sincere appreciation and gratitude, commend Granville DeMerritt for his service to the Employees' Retirement System and,

BE IT FURTHER RESOLVED, that the Retirement Board and Staff extend every good wish to Granville DeMerritt for a very long, happy rewarding and well deserved retirement

This resolution was presented and adopted by the Retirement Board on the the third day of June in the year One Thousand Nine Hundred and Eighty-Six.

Peter D. Ashe, President

Paul F. Denning, Vice-President

Joseph D. Driscoll, Commissioner

Bonnie K. Gibson, Commissioner

Samuel W. Walker, Commissioner

Raymond L. Weisberg, M.D.Commissioner

John L. Molinari, President
Board of Supervisors

Clare M. Murphy, General Manager

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JUNE 24, 1986 - 2:00 P.M.

PRESENT:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Paul F. Denning	Vice President
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, June 3, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 23-85.

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Irene Brunn $ 5,500.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
William Etzler $60,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
John Neal Humprey $ 5,691.31

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Helen McAllister $20,750.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Dennis McClellan $ 5,100.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Nick Mustaciola $ 194.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jerry Ruiz $ 4,573.77

ACTION: It was moved by Driscoll, seconded by Gibson to adopt the Consent Calendar; motion passed, 5-0.

NOTE: The Investments Calendar was heard prior to the Regular Calendar except for Regular Calendar item #2 which was heard out of sequence at the request of the participant.

June 24, 1986

REGULAR CALENDAR

ITEM

2. RECONSIDERATION OF REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION FUND:

Harriet Dunbar

F. W. Johnson presented a written request for reconsideration to withdraw funds from the Deferred Compensation Fund. Ms. Harriet Dunbar made an oral presentation to the Board to clarify the reasons for her request. The Board engaged in a question and answer session with Ms. Dunbar.

ACTION: It was moved by Weisberg, seconded by Walker to approve the request to withdraw funds from Deferred Compensation for Harriet Dunbar; motion passed, 5-0.

INVESTMENTS CALENDAR

1. COMPARATIVE PERFORMANCE FIGURES USED IN INTERNATIONAL INVESTMENT SEARCH:

DeWitt Bowman presented a written and oral report on the Comparative Performance Figures used in the International Investment search. The Board reviewed and discussed the analysis with staff. No action was taken on this report, however, staff will present two items for reconsideration at the July 8, 1986 Board meeting. The Board will reconsider the International Equity Manager Selection and Asset Allocation and the International Fixed Income Manager Selection and Asset Allocation.

2. PROXY VOTES - REQUIRES BALLOT VOTE:

McKesson Corporation	FOR	AGAINST
Shareholder Proposal:		
1. Provide directors be elected annually rather than on the current classified basis	5	0

3. AMENDMENT TO INVESTMENT STRATEGIC PLAN:

DeWitt Bowman presented a written and oral report on the Amendment to the Investment Strategic Plan. The Board reviewed and discussed the implications of the Amendment.

ACTION: It was moved by Gibson, seconded by Weisberg to approve the Amendment to the Investment Strategic Plan; motion passed, 5-0.

June 24, 1986

4. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that:

A. He requested approval and authorization for an investment trip to New York to visit several of the Retirement System's investment managers and the custodian.

ACTION: It was moved by Weisberg, seconded by Driscoll to approve and authorize DeWitt Bowman Chief Investment Officer, to travel to New York City on August 17-21, 1986 to meet with the Retirement System's investment managers and with the custodian; motion passed, 5-0.

B. He supplied the Board with a current list of U.S. Companies doing business in South Africa. The Board discussed the list with Mr. Bowman

C. The Venture Capital Seminar is scheduled for Tuesday July 8, 1986. The four (4) panelist will be: Robert S. Morris, C. Richard Kramlich, Gerald Bay and a representative from Kleiner Perkins.

NOTE: Commissioner Gibson left the meeting at this time.

D. He and Clare Murphy and several Board Members attended a presentation by the Fred Alger Group. Fred Alger Management Inc., has purchased CIMCO and the Board will be reviewing the implications of this change.

REGULAR CALENDAR

ITEM

1. RENEWAL OF CONTRACT - CONSULTING ACTUARY, MILLIMAN & ROBERTSON, INC.:

Clare M. Murphy, General Manager rendered a written and oral report on the renewal of the contract for the Retirement System's Consulting Actuary, Milliman & Robertson. The Board reviewed and discussed the contract with Ms. Murphy.

ACTION: It was moved by Weisberg, seconded by Walker to approve the renewal of the Consulting Actuary's contract for the firm of Milliman & Robertson in the amount of $120,000; motion passed, 4-0.

3. RESOLUTION COMMENDING DR. REUBEN ZUMWALT:

ACTION: By unanimous acclamation, the Board approved the Resolution commending Dr. Reuben Zumwalt on the occassion of his retirement

4. HEARING OFFICER DECISIONS:

RODRIGUEZ, Anthony
Fire Department - H30 Captain
INDUSTRIAL DISABILITY
EFFECTIVE DATE: November 16, 1985 GRANTED

SUGIOKA, Thomas
SFUSD - 3410 Gardener
ORDINARY DISABILITY
EFFECTIVE DATE: November 8, 1984 GRANTED

ACTION: It was moved by Weisberg, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:

   Raymond Angelo $ 900.00 + C&R

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:

   Richard Hasse $ 250.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:

   John L. Mullen $3,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:

   Vicent J. Senatore $3,000.00 + C&R

5. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Richard Thompson $5,000.00

NOTE: The above five (5) items of the Supplemental Calendar were taken as one (1) item.

ACTION: It was moved by Driscoll, seconded by Walker to adopt the Settlement of Disputed Claim; motion passed, 4-0.

NOTE: The following Hearing Officer Decisions were heard as separate items.

6. HEARING OFFICER DECISIONS:

BELMONT, Richard
Social Services - 2911 Elig. Appeals Spec.
ORDINARY DISABILITY
EFFECTIVE DATE: April 19, 1986 GRANTED

ACTION: It was moved by Weisberg seconded by Driscoll to adopt the Hearing Officer Decision; motion passed, 4-0.

READ, Donald
Police - Q2 Police Officer
INDUSTRIAL DISABILITY
EFFECTIVE DATE: Feb. 15, 1986 GRANTED

ACTION: It was moved by Weisberg, seconded by Driscoll to resubmit the Hearing Officer Decision for Appeal, motion failed, 2-2 (Ashe, Walker)

ACTION: It was moved by Driscoll, seconded by Walker to adopt the Hearing Officer Decision; motion passed, 3-1 (Weisberg)

NOTE: Dr. Weisberg requested this case be re-examined in 1-2 years.

HUTCHERSON, Sammy M.
MUNI - 9163 Trans. Opr.
ORDINARY DISABILITY
EFFECTIVE DATE: May 1, 1985 GRANTED

No action was taken on the above Hearing Officer Decision. The case is contined to the July 8, 1986 Board meeting.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. Staff is still in the process of reviewing Court Reporters and we hope to have a new group hired by July 8, 1986.

2. Dr. Reuben Zumwalt has chosen to retire July 1, 1986.

3 She wanted to inform the Board of three Charter Amendments that are scheduled for the November Ballot. The first one is for the Retirees. It is an Ad hoc Cost of Living Adjustment for Miscellaneous employees based on years of retired life.

   The second amendment is designed to vacate a suit by the Federal Court regarding AEDA. The amendment will eliminate maximum entry age and eliminate the mandatory retirement for Police and Firefighters.

   The Third amendment is a proposal for the Board of Supervisors to establish reciprocal arrangements with the State Public Employees Retirement System. More investigation is required on this amendment. She will report back to the Board so that the Board can take a position on these amendments.

EXECUTIVE SESSION

The Board went into Executive Session to discuss the Legal Matter of Weiss versus the Retirement Board.

The Board reconveyned in open session and announced the Board had directed the City Attorney to assert all affirmative defenses in defending the pending lawsuit.

There being no further business,
the Board adjourned at 6:50 P.M.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Richard Adams

June 24, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JULY 8, 1986 -1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors

Clare M. Murphy — General Manager-Retirement System

MINUTES: Minutes of Regular Meeting, June 24, 1986.

ACTION: Approved as Amended

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 1-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Willie Alexander $28,563.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Bettye Burrell $ 6,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Franklin R. Troutman $ 2,121.51

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Anderson, Hubert L.

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Bacigalupi, Renald J.

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Hayes, Erin

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Henry, Leroy Jr.

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION:
Koseba, Ruth

ACTION: It was moved by Gibson, seconded by Denning to adopt the Consent Calendar; motion passed, 6-0.

July 8, 1986

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISIONS:

BROOKS, Lois
SFGH - 2312 - LVN
ORDINARY DISABILITY
EFFECTIVE DATE: May 1, 1986 GRANTED

GRANUCCI, Ronald
SFUSD - Head Counselor (0796)
ORDINARY DISABILITY
EFFECTIVE DATE: June 21, 1986 GRANTED

RICHARD, Albert H.
MUNI Railway - 9163 T.O.
ORDINARY DISABILITY
EFFECTIVE DATE: March 22, 1986 GRANTED

SULLIVAN, C. B.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY
EFFECTIVE DATE: July 11, 1986 GRANTED

YOUNG, Reinhard J.
FIRE - H30 Capt.
INDUSTRIAL DISABILITY
EFFECTIVE DATE: October 13, 1985 GRANTED

ACTION: It was moved by Weisberg, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 6-0.

ITEM

1. VENTURE CAPITAL PANEL:

Representatives from the following firms made presentations on Venture Capital Investment:

Vista Ventures - Gerald Bay

New Enterprises Inc. - Richard Kramlich

Kline Perkins Inc. - Thomas Perkins

G. E. Investment Corp. - Robert Morris

The Board engaged in a question and answer session with all the representatives. No Action was taken; this was informational only.

2. RECONSIDERATION OF INTERNATIONAL EQUITY MANAGER AND ASSET ALLOCATION:

DeWitt Bowman Chief Investment Officer, presented a written and oral report requesting the reconsideration of the International Equity Manager selection and asset allocation. The Board reviewed and discussed the report with Mr. Bowman.

ACTION: It was moved by Driscoll, seconded by Gibson to delete GT Capital as one of the chosen International Equity Managers; motion passed, 6-0.

ACTION: It was moved by Weisberg, seconded by Gibson to hire Putman International as the third International Equity Manager with equal amounts of 100 million dollars allocated to each firm; motion passed, 4-2 (Denning, Driscoll).

3. RECONSIDERATION OF INTERNATIONAL FIXED INCOME MANAGERS AND ASSET ALLOCATION:

DeWitt Bowman, Chief Investment Officer rendered a written and oral report requesting reconsideration of the International Fixed Income Managers and asset allocation . The Board reviewed and discussed the report with Mr. Bowman.

ACTION: It was moved by Denning, seconded by Weisberg to select First Chicago and Warburg International as International Fixed Income Managers with equal amounts of 100 million dollars to be allocated to each firm; motion passed, 5-1 (Driscoll).

4. CHIEF INVESTMENT OFFICER REPORT

The Chief Investment Officer reported that:

A. He presented a written and oral report on the Fred Alger acquisition of CIMCO. The Board discussed the monitoring of CIMCO until the Fred Alger group makes a presentation to the Board August 26, 1986.

B. He passed out the By Laws Amendment from the Council of Institutional Investors which the Board requested be put on hold until clarification is received on some of the language.

C. Great American Core has been aquired by Axe-Houghton Management Inc. and their new name will be Axe Core Investors.

D. Two other firms have been removed from the IRRC's South Africa Restricted List. The two firms are CBS and Bell & Howell.

E. He passed out a memo from Robert Monks of the Department of Labor. Mr. Monks proposes to represent pension plans with respect to their shareholder rights. The Board discussed the proposal.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The new Court Reporting Service is Richard Adams Convention Reporting and she introduced Richard Adams to the Board.

2. The new caterers are Angelina's Deli. The Board discussed the catering service with Ms. Murphy.

3. The Board calendar for the next two months had to be arranged. The Board agreed on the following schedule:

August 12, 1986, 1:30 PM Quarterly Investments.

August 19, 1986, 3:00 PM Executive Session.

August 26, 1986, 12:30 PM Callan Presentation
Equity Manager Presentation
Fred Alger Presentation

4. She presented information on the Gann Fair Pay Inititative on the November 1986 Ballot. She discussed the impact on benefits if members retire before election date. She explained the many unknowns and the few certain reprecussions such as the increase to the Governors salary. Then the 80% limit to salaries with the Governors salary as the benchmark. This means many top executives state, county and local will be limited to a $64,000 salary level. The initiative also limits accrual of sick pay and vacation and this language could have the most impact.

BOARD MEMBERS

Commissioner Walker discussed a Charter Amendment that will be introduced at the Rules & Legislation Committee Meeting on Monday July 21, 1986. The Amendment is for Section 8.404 with respect to Transit Operators tour of duty as Union officials. The issue is Retirement contributions while the operators are serving as union officials.

EXECUTIVE SESSION
(Legal Matter)

The Board went into Executive session to discuss a Retirement System legal matter. The Board reconvened in Open Session and announced that they had taken two actions:

ACTION: It was moved by Weisberg, seconded by Denning to rescind the prior action in the Donald Read matter; motion passed, 6-0.

ACTION: It was moved by Weisberg, seconded by Gibson to direct the City Attorney to petition for a rehearing in the case of Donald Read; motion passed, 6-0.

There being no further business, the Board adjourned at 6:15 P.M.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court reporter: Richard Adams.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

July 17, 1986

To All Interested Parties:

This is to inform you that the July 29 Board Meeting has been cancelled.

The following is a list of the schedule for the month of August:

Tuesday, August 12th - 1:30 PM
Quarterly Investment Meeting
Tuesday, August 19th - 3:00 PM
Executive Session

Tuesday, August 26th - 12:30 PM
Callan Associates Presentation
Equity Manager Presentations
Fred Alger Presentation

Very truly yours,

Clare M. Murphy

Clare M. Murphy
General Manager

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(415) 558-3991 1155 Market Street San Francisco 94103

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, AUGUST 12, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Pauld F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari President, Board of Supervisors	

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, July 8, 1986

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, 2-86 & 3-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Arnece Birmingham $65,000.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Geraldine Boudreaux $ 9,400.00 + C&R

d) SETTLEMENT OF DIPUTED CLAIM - THIRD PARTY SETTLEMENT:
Richard Duane $22,500.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:
Gerald Durkin $ 1,150.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Ronald V. Easter $35,000.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John L. Falconi $21,977.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Patricia Humphrey $ 3,000.00 + C&R

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Joseph B. Meehan $ 2,300.00

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Janell Moon $ 5,000.00

k) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Gerald Overstreet 3,000.00

August 26, 1986

l) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:

Stephen Paulsen $ 1,000.00 + C&R

m) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Michael Schneider $56,000.00

n) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT & COMPROMISE AND RELEASE:

David A. Shinn $ 1,210.00 + C&R

o) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Smith, Bill B.

p) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Thomas, Darrell

q) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Washington, Horace

r) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Welles, Harrietta

s) REQUEST FOR BIRTHDATE CORRECTION:

Ho, Harry L.

t) REQUEST FOR BIRTHDATE CORRECTION:

Mendez, Angeline Sarah

u) REQUEST FOR BOARD MEMBERS AND STAFF TO ATTEND CALAPRS ROUNDTABLE MEETING, SEPTEMBER 26, AND GENERAL ASSEMBLY MEETING, OCTOBER 24, 1986.

ACTION: It was moved by Gibson, seconded by Weisberg to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

1. 1986 MBO RESULTS AND REPORT:

   Rudolph Hernandez, Deputy General Manager of Operations and Finance presented a written and oral report on the 1986 Management By Objectives Results. The Board reviewed and discussed the report with Mr. Hernandez and Ms. Murphy, General Manager.

   ACTION: It was moved by Weisberg, seconded by Denning to extend commendations to the Retirement System Staff on the excellent results for the 1986 MBO report; motion passed, 6-0.

2. CHARTER AMENDMENT REPORT:

   Clare M. Murphy, General Manager, presented a written and oral report on the Charter Amendments for the November 1986 Ballot. The following is a list of the amendments and the subsequent actions:

   1. Amending Section 8.539-1 to increase retirement allowance of Miscellaneous officers and Employees retired prior to July 2, 1985.

      Representatives from the Retired Employees' Association urged the Board to support the proposition. The Retirees' also presented a Ballot argument for the Board members to endorse and sign.

      ACTION: It was moved by Weisberg, seconded by Walker to support the Charter Amendment 8.539-1 and to endorse and sign the Retirees' Ballot Argument; motion passed, 6-0.

   2. Adding Section 8.500-1 to allow reciprocal Pension Benefits with other public pension plans.

      Representatives from Adult Probation were present to urge the Board to support this measure.

      ACTION: It was moved by Denning, seconded by Driscoll to support the Charter Amendment 8.500; motion passed, 6-0.

   3. Amending Section 8.320, 8.559-2, 8.585-2, 8.586-2 and 8.588-2 and deleting Section 8.320.1, relating to age requirements for police officers and firefighters.

      ACTION: It was moved by Denning, Seconded by Walker to support the Charter Amendment relating to age requirements for police officers and firefighters; motion passed, 6-0.

4. Amending Section 8.405 relating to Salaries of Uniformed Forces in the Police and Fire Departments.

   No Action was taken in this item.

5. Adding Section 8.519 allowing Retirement System Credit for Representative Service.

   ACTION: It was moved by Gibson, seconded by Weisberg to excuse Commissioner Walker from the vote; motion passed 6-0.

   ACTION: It was moved by Weisberg, seconded by Driscoll to support the Charter Amendment 8.519; motion passed, 5-0. (Walker abstained).

6. Amending Section 8.407 Defining Generally Prevailing Rates of Wages and Pay Equity.

   No Action was taken on this item.

3. RETIREMENT BOARD ELECTION TERM EXPIRING FEBRUARY 20, 1987:

   Clare M. Murphy presented a written and oral report to the Board on the Retirement Board Election for the term expiring February 20, 1987. The Board reviewed and discussed the schedule.

   ACTION: It was moved by Weisberg, seconded by Denning to order the Retirement Board Election for the term expiring February 20, 1987; motion passed, 6-0.

4. COUNCIL OF INSTITUTIONAL INVESTORS. REQUEST FOR APPROVAL OF THE ANNUAL MEMBERSHIP FEE:

   Clare M. Murphy, General Manager and Mr. DeWitt Bowman, Chief Investment Officer, presented a request for the approval of the annual membership fee for the Council of Institutional Investors.

   ACTION: It was moved by Weisberg, seconded by Walker to approve the request for the annual membership fee for the Council of Institutional Investors. The fee will be approximately $2,700.00; motion passed, 6-0.

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Curtis W. Branch

F. Walter Johnson presented a written and oral request for Curtis W. Branch to withdraw his funds from the Deferred Compensation Plan. Mr. Branch also made an oral request to the Board. The Board engaged in a question and answer session with Mr. Branch.

ACTION: It was moved by Driscoll, seconded by Denning to conditionally approve Mr. Curtis request pending proper completion of the necessary forms and staff approval; motion passed, 6-0.

6. HEARING OFFICER DECISIONS:

ALPAR, Riza
AIRPORT - 5232 Assoc. Elec. Engr.
ORDINARY DISABILITY
EFFECTIVE DATE: Feb. 15, 1986 GRANTED

BAKAY, Henry A.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
EFFECTIVE DATE: July 18, 1985 GRANTED

CALLAGY, Leo R.
POLICE - 0380 Insp. Police
INDUSTRIAL DISABILITY DENIED

COFFEY, Constance
POLICE - 8214 Parking Control Officer
ORDINARY DISABILITY
EFFECTIVE DATE: Sept. 17, 1985 GRANTED

JOHNSON, Cornell
MUNI - 9163 Transit Operator.
ORDINARY DISABILITY
EFFECTIVE DATE: April 5, 1986 GRANTED

KELLEY, Curtis
MUNI - 9163 Transit Operator.
ORDINARY DISABILITY
EFFECTIVE DATE: May 1, 1986 GRANTED

MENDOZA, Lolita
PH/SFGH - 2390 CPD Technician
ORDINARY DISABILITY
EFFECTIVE DATE: June 1, 1986 GRANTED

O'DOWD, Maurice
POLICE - 8214 Parking Control
ORDINARY DISABILITY
EFFECTIVE DATE: June 1, 1986 GRANTED

RICHMOND, Leroy
SFUSD - 2708 Custodian
ORDINARY DISABILITY
EFFECTIVE DATE: Sept. 1, 1985 GRANTED

THOMAS, Bertha
PH/LHH - 2302 Orderly
ORDINARY DISABILITY
EFFECTIVE DATE: May 1, 1986 GRANTED

WATTS, Leroy
DPW - 7530 Street Cleaner
EFFECTIVE DATE: July 1, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg to accept the Hearing Officer Decisions, motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. Staff Report on Performance of Internal and External Equity Managers for the period ending June 30, 1986.

   Carolyn Hamilton, Assistant Chief of Investments presented a written and oral report on the performance of the internal and external Equity Managers for the period ending June 30, 1986. The Board reviewed and discussed the report with Ms. Hamilton. No Action was taken on this report, it was an information item only.

2. Staff Report on Performance of Internal and External Fixed Income Managers for the period ending June 30, 1986.

   Herb Meiberger, Security Analyst presented a written and oral report on the performance of the internal and external Fixed Income Managers for the period ending June 30, 1986. The Board reviewed and discussed the report with Mr. Meiberger. No action was taken on this report, it was an information item only.

3. Staff Recommendation on Allocation of Funds for the period ending October 31, 1986

DeWitt Bowman, Chief Investment Officer presented a written and oral recommendation on the Allocation of Funds for the period ending October 31, 1986. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: It was moved by Gibson, seconded by Denning to accept staff's recommendation for the Allocation of Funds for the period ending October 31, 1986. (See attached Fund Sheet).

4. Chief Investment Officer Report.

A. He presented a written report to The Board on the effects of the South African Investment Restrictions after one year. The Board reviewed and discussed the report with Mr. Bowman. The Board accepted the report and decided to take no action to change their policy.

B. He presented the following Proxy

	FOR	AGAINST
H. J. Heinz Co. Shareholder Proposal: Requires company to submit auditors statement with financial reports to: "disclose any instances in which the auditors have been involved in a set of financial statements that have been questioned by the SEC."	1	5

C. He introduced the two new new Security Analysts, Mark Coleman and Gary Hiatt.

GENERAL MANAGER'S REPORT

The General Manager Reported that:

1. The Board decided on a meeting schedule for the next several meetings:

Tuesday August 19, 1986, 3:00 PM - Executive Session

Tuesday August 26, 1986, 1:30 PM - Callan Associates
7 Equity Managers
Fred Alger Presentation.

Wednesday September 10, 1986, 1:30 PM - Regular Business Meeting.

August 26, 1986

BOARD MEMBERS

Commissioner Denning discussed with the Board the impact of takeover attempts on the communities of the companies being taken over. He recommended the Board use caution in their proxy voting.

Commissioner Walker requested a progress report on the Muni Overtime Retro payments. The General Manager informed the Board that the calculations had been completed and payments are due to be mailed September 2, 1986.

Commissioner Walker also requested information on employees retirement due to the Gann Initiative. The General Manager discussed the progress staff is making with the special forms. Those people retiring due to Gann, will go through a conditional retirement process to allow conservative protection of the members benefits.

There being no further business,
the Board adjourned at 7:40 P.M.

Respectfully submited,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court reporter: Richard Adams.

August 26, 1986

San Francisco City and County
Employees' Retirement System Recommended
Asset Allocation for the Quarter Ending October 31, 1986

Funds Analysis

Investment Reserves as of March 31, 1986		270,273,343
Projected net cash additions for the quarter		26,000,000
Projected dividend income for the quarter		8,023,485
Projected interest income for the quarter		42,089,407
Total Funds		346,386,235
Funds allocated international	200,000,000	
Funds allocated external	101,383,469	
Total funds allocated		301,383,469
Total funds available		45,002,766

Recommended Cash Flow Allocation for the Quarter Ending July 31, 1986

Equities	
Equity Index Fund	1,232,826
Internal Equities	906,423
Coldwell Banker	-0-
Loomis Sayles	1,032,634
CIMCO	1,067,816
George Springman	1,438,497
McCullough, Andrews	447,527
Hahn, Holland	587,174
Furman Selz	879,029
Nicolas Applegate	16,952
Hanson Investment Mgt.	414,607
International Managers	375,000
Total Equity	8,398,485
Fixed Income	
Internal Active	19,090,196
Sinking Fund	-0-
Private Placements	-0-
California Mortgages	5,000,000
MacKay Shields	3,368,897
Lehman Asset Mgt.	2,342,156
Bankers Trust Co.	1,895,432
Scudder Stevens & Clark	3,157,600
International Managers	1,750,000
Total Fixed Income	36,604,281
Total Allocated	45,002,766

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

TO ALL INTERESTED PARTIES

The Retirement Board will hold a special meeting on Tuesday, August 19, 1986 at 3:00 PM. The meeting will be an Executive Session to discuss personnel issues.

(415) 558-3991 1155 Market Street San Francisco 94103

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, AUGUST 19, 1986 - 3:00 P.M.

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner

Clare M. Murphy — General Manager, Retirement System

RETIREMENT BOARD

REGULAR MEETING

EXECUTIVE SESSION

The Retirement Board met in Executive Session to consider the process of selection of an Actuary pursuant to Charter Section 3.672.

The Board adopted a revised job specification for the position of the Actuary and directed staff to refer the revised job description to Civil Service Commission for adoption. The Board directed staff to contract with Dennis Joiner to conduct a job analysis and assessment center evaluation of candidates for the position of Actuary. Additionally, the Board directed the staff to conduct a nationwide recruitment which will comply with all affirmative action guidelines.

There being no further business, the Board adjourned at 4:15 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

August 26, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, AUGUST 26, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari President,	Board of Supervisors
	Paul F. Denning	Vice President
	Samuel W. Walker	Commissioner

Clare M. Murphy — General Manager, Retirement System

RETIREMENT BOARD

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

1. Callan Associates Investment Review for the quarter and year ending June 30, 1986.

   A representative from Callan Associates, Mr. Russ Blumenthal, presented a written and oral report on the performance measurement of the Retirement System's investment portfolio for the quarter and year ending June 30,1986. Following the completion of the report, Board Members, staff and Mr. Blumenthal exchanged comments on the report. No action was taken by the Board on this report

2. Presentation by External Equity Managers for the Quarter Ending June 30, 1986.

   Representatives of the following firms, investment managers of the equity portion of the Retirement System's Portfolio, rendered written and oral reports on the status of the equity performance for the quarter and year ending June 30, 1986.

   Furman Selz Capital Mgt.

   Hahn, Holland & Grossman

   Nicholas Applegate Capital Mgt.

   McCullough, Andrews & Cappiello

   Loomis Sayles & Co.

   George B. Springman, Inc.

   Hanson Investment Mgt. Co.

   The Board members and staff engaged in a question and answer session with each firm. No action was taken on these reports by the Board

   Commissioner Gibson arrived during the Loomis Sayles & Co. presentation.

August 26, 1986

3. Presentation by CIMCO/Fred Alger Management, Inc.

A representative from CIMCO, Mr. Omar Brubaker presented a written and oral report on the equity performance of the portfolio for the quarter and year ending June 30, 1986. Mr. Brubaker also introduced the new owner of CIMCO, Fred Alger of Fred Alger Management Inc. Mr. Alger then rendered an oral presentation on the type of money management the Retirement System can expect from Fred Alger Management, Inc. The Board engaged in a question and answer session with Mr. Alger.

Fred Alger will furnish the Board with a formal presentation outlining the parameters of the new arrangement of the CIMCO account, by September 4, 1986. The Board is scheduled to make a decision at its next regular schedule meeting, September 10, 1986. No action was taken on either of these presentations.

4. Chief Investment Officer Report.

The Chief Investment Officer reported that:

A. Several portfolio managers of Putnam International have left the firm to form their own management firm Oechsle International Advisors. The Board discussed with staff the changing conditions with respect to Putnam. The Board directed staff to maintain due diligence until more information can be obtained. The principals of both firms will make presentations at the Board next regular scheduled meeting September 10, 1986.

There being no further business,
the Board adjourned at 7:45 PM

Respectfully Submitted,

Clare M Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court reporter: Richard Adams.

August 26, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

WEDNESDAY, SEPTEMBER 10, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari President,	Board of Supervisors
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, August 12, 19 and 26, 1986

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LISTS, 4-86 & 5-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Willie J. Brooks $ 950.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Frank Cirimele $12,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT COMPROMISE AND RELEASE:
Lola Collins $30,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
James M. Leonard $ 2,000.00

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Cook, Clifford Louis

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Felin, Arnulfo

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ganoza, Arthur

i) REQUEST TO WITHDARW FUNDS FROM DEFERRED COMPENSATION PLAN:
Perry, James E.

j) REQUEST FOR ONE STAFF AND BOARD MEMBERS TO ATTEND THE REAL ESTATE INVESTMENT STRATEGIES FOR PENSION FUNDS CONFERENCE IN BOSTON, MASS., NOVEMBER 16-19, 1986.

k) REQUEST FOR AUTHORIZATION TO ATTEND THE 32nd ANNUAL EMPLOYEE BENEFITS CONFERENCE IN LAS VEGAS, NEVADA, NOVEMBER 14-19, 1986.

l) REQUEST FOR ONE BOARD MEMBER TO ATTEND THE INSTITUTE FOR FIDUCIARY EDUCATIONAL SEMINAR ON INTERNATIONAL INVESTING IN JAPAN TO BE HELD OCTOBER 17-25, 1986.

September 10, 1986

m) REQUEST FOR ONE BOARD MEMBER TO ATTEND ONE DAY INVESTMENT MANAGEMENT INSTITUTE SEMINAR ON "SOCIAL INVESTING/SOUTH AFRICA: THE INVESTMENT DILEMMA", OCTOBER 27, 1986 IN NEW YORK CITY.

n) REQUEST ONE BOARD MEMBER TO ATTEND FIRST ANNUAL PUBLIC SAFETY EMPLOYEES PENSION & BENEFITS CONFERENCE OCTOBER 5-7, 1986 IN PALM SPRINGS, CA.

o) REQUEST TO AUTHORIZE ONE STAFF TO TRAVEL TO SEATTLE, WASH. TO REVIEW THE WEYERHAEUSER INFORMATION SYSTEM.

ACTION: It was moved by Denning, seconded by Weisberg to adopt the Consent Calendar; except for Item "i" which will be acted upon with separate motion; motion passed, 5-0.

Item "i" REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Perry, James E.

ACTION: It was moved by Weisberg, seconded by Denning to approve the withdrawal of funds of $800.00 for dental expense only; motion passed 5-0.

INVESTMENTS CALENDAR

ITEM

1. REVIEW OF QUARTERLY PERFORMANCE OF COLDWELL BANKER FUNDS III-VIII.

Ms. Carolyn Hamilton, Assistant Chief Investments presented a written and oral report on the Quarterly Performance of the Coldwell Banker Funds III-VIII. The Board reviewed and discussed the report with Ms. Hamilton.

No action was taken on this report. It was an information item only.

2. INTERNATIONAL EQUITY MANAGER REPORT:

DeWitt Bowman, Chief Investemt Officer presented a written and oral report regarding the International Equity Managers. The Board discussed the report with Mr. Bowman.

Representatives from the following firms rendered written and oral presentations to the Board on the International Equity Manager changes:

A. OECHSLE INTERNATIONAL ADVISORS PRESENTATION:

B. PUTNAM INTERNATIONAL PRESENTATION:

The Board engaged in a question and answer session with each of the firms' representatives. No action was taken on these presentations. The Board will calender this item for action at its next regularly scheduled business meeting.

3. REPORT ON THE FRED ALGER MANAGEMENT INC. PURCHASE OF CIMCO:

DeWitt Bowman, Chief Investment Officer presented a written and oral report on the Fred Alger Inc. pruchase of CIMCO.

The Board reviewed and discussed the report and engaged in a question and answer session with the staff.

ACTION: It was moved by Driscoll, seconded by Denning to retain Fred Alger Management Inc., as an equity manager for the Retirement System trust fund; motion passed, 5-0.

ACTION: It was moved by Denning, seconded by Weisberg to reduce the money allocated to Fred Alger Management Inc. by $10 million dollars and to reallocate the $10 million to the firm of Nicholas Applegate; motion passed, 5-0.

4. CHIEF INVESTMENT OFFICER REPORT:

Chief Investment Officer reported that:

A. He presented the Board with an update list of the U. S. Companies currently doing business in South Africa from the Investors Responsibility Research Center, Inc. The Board reviewed the list.

NOTE: Commissioner Driscoll left the meeting at this time.

REGULAR CALENDAR

ITEM

1. RECONSIDERATION OF RESOLUTION ON TRAVEL:

   Clare M. Murphy, General Manager presented to the Board a reconsideration of the resolution on travel. (See attached resolution). The Board reviewed and discussed the resolution.

   ACTION: It was moved by Weisberg, seconded by Walker to approve the new resolution on travel; motion passed, 4-0.

2. HEARING OFFICERS DECISIONS:

   DOW, Lawrence L., Jr.
   MUNI RR - 9163 Transit Operator
   ORDINARY DISABILITY
   Effective Date: July 26, 1986. GRANTED

   HINKE, Barbara
   Sheriff's Dept. - Dep. Sheriff
   INDUSTRIAL DISABILITY DENIED

   HODGES, William C.
   MUNI RR - 9139 Transit Supervisor
   ORDINARY DISABILITY
   Effective Date: October 1, 1986 GRANTED

   JIMENEZ, Guillermo
   MUNI RR - 9163 Transit Operator
   ORDINARY DISABILITY
   Effective Date: July 1, 1986 GRANTED

   LEHIGH, Walter D.
   FIRE - H30 Captain
   INDUSTRIAL DISABILITY
   Effective Date: Nov. 15, 1986 GRANTED

   ACTION: It was moved by Weisberg, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Earl DeVille, Jr. $15,000.00

   ACTION: It was moved by Weisberg, seconded by Denning to approve the Settlement of Disputed Claim; motion passed, 4-0.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   White, Hilda

   ACTION: It was moved by Denning, seconded by Walker to approve the request to withdraw funds from Deferred Compensation; motion, passed 4-0.

3. REQUEST TO AUTHORIZE ONE STAFF MEMBER TO ATTEND INVESTOR RESPONSIBILITY RESEARCH CENTER SEMINAR ON SOUTH AFRICA AND DIVESTMENT SEPTEMBER 30, 1986 IN LOS ANGELES:

   ACTION: It was moved by Denning, seconded by Walker to approve the request to authorize one staff to attend the IRRC seminar, September 30, 1986 in Los Angeles; motion passed, 4-0.

4. PROXY VOTES:

Tektronix Inc.	FOR	AGAINST
Shareholder Proposal:		
1. 80% vote to remove a director without a cause.	1	4
2. Approve indemnity agreements with directors & officers to amend the articles concerning indemnification.	0	5
Procter & Gamble		
Shareholder Proposal		
1. Elect directors on a staggered basis and require all directors be elected annually.	3	2

5. HEARING OFFICER DECISIONS:

   HARGENS, Richard E.
   POLICE - Q2 Police Officer
   INDUSTRIAL DISABILITY
   Effective Date: August 30, 1986 GRANTED

   ACTION: It was moved by Denning, seconded by Walker to accept the Hearing Officer Decision; motion passed, 4-0.

September 10, 1986

MURRAY, John D.
SFUSD - 1273 Dir. of Personnel & Staff Devel.
ORDINARY DISABILITY
Effective Date: Jul;y 25, 1986 GRANTED

ACTION: It was moved by Walker, seconded by Denning to accept the Hearing Officer Decisions; motion passed 4-0.

6. REQUEST FOR PRE RETIREMENT COUNSELING FROM THE TRANSPORT WORKERS UNION OF AMERICA.

Commissioner Walker requested that this item be calendered at the next regularly scheduled business meeting.

There being no further business, the Board adjourned at 6:10 P.M.

Respectfully submitted,

Clare M. Murphy
General Manager

NOTE: A transcript mas made of this meeting by

Court reporter: Richard Adams.

September 10, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

~~WEDNESDAY~~ TUESDAY, SEPTEMBER 30, 1986 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice-President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, September 10, 1986.
ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 6-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bertha Burnside $47,610.00 + Open Med.

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alvin White $ 3,000.00

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lucilla Angeles

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Willie Campers

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Miguel Cosio, Jr.

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Vincent Repetto

h) APPLICATION FOR BIRTHDATE CORRECTION:
James Charles Pierce

i) APPLICATION FOR BIRTHDATE CORRECTION:
Conrad W. Yee

ACTION: It was moved by Walker, seconded by Driscoll to adopt the Consent Calendar; motion passed, 4-0.

September 30, 1986

REGULAR CALENDAR

ITEM

1. HARTFORD INSURANCE COMPANY ANNUAL REPORT:

   Mr. Al Kuhn, a representative from the Hartford Variable Life Insurance Company presented a written and oral report. The Board reviewed and discussed the performance of the different investment options under the Deferred Compensation Plan. No action was taken on this report, information item only.

2. RETIREMENT SYSTEM 1985-86 ANNUAL REPORT:

   Pam Levesque, Executive Assistant to the General Manager presented the first draft of the Retirement Systems' 1985-86 Annual Report. The Board reviewed and discussed the report with Ms. Levesque and other staff members. No action was taken on this report, information item only.

3. REQUEST FOR PRE-RETIREMENT COUNSELING PROGRAM FROM THE TRANSPORT WORKERS UNION OF AMERICA:

   John Hepburn, a representative from the Transport Workers' Union of America presented a written and oral request to the Board for a pre-retirement counseling program. The Board engaged in a question and answer session with Mr. Hepburn and Clare Murphy, General Manager. The Board requested staff to draft a letter to the Mayor documenting the continual requests from organizations for this type of program.

   NOTE: Commissioner Denning arrived at this time.

4. HEARING OFFICERS DECISIONS:

   DICKEY, Corbett
   POLICE - Q2
   INDUSTRIAL DISABILITY
   Effective Date: Feb. 1, 1985 GRANTED

   FORD, Delphine
   REC. & PARK - 2708 Custodian
   ORDINARY DISABILITY
   Effective Date: August 1, 1986 GRANTED

   GILES, Richard D.
   DSS - 2914 Social Wkr.
   ORDINARY DISABILITY
   Effective Date: July 1, 1986 GRANTED

KEEBLE, Dorothy M.
SHERIFF DEPT. - 8306 Deputy Sheriff
PERS/INDUSTRIAL DISABILITY GRANTED

KELLEY, Albert
FINE ARTS MUSEUM - 8228 Sr. Museum Guard
ORDINARY DISABILITY
Effective Date: August 1, 1986 GRANTED

PITTMAN, Jerome A.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: July 12, 1986 GRANTED

POTEET, Karin
JUVENILE COURT - 8336 Bus. Mgr.
ORDINARY DISABILITY
Effective Date: August 22, 1986 GRANTED

ACTION: It was moved by Weisberg, seconded by Walker to accept the Hearing Officer decisions and to authorize the City Attorney to request a rehearing in the Corbett Dickey case; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. ADDENDUM TO REVIEW OF QUARTERLY PERFORMANCE OF COLDWELL BANKER FUNDS.

Carolyn Hamilton, Assistant Chief of Investments presented a written addendum to the review of the quarterly performance of Coldwell Banker Funds. No action taken, this was a information item only.

2. PRESENTATION BY REPRESENTATIVES OF COLDWELL BANKER REAL STATE COMPANY:

Two representatives from Coldwell Banker Real Estate Company, Mr. Ross Turner and Ms. Mary Harris presented a written and oral report on the status of the real estate funds as of June 30, 1986. The Board reviewed the report and engaged in a question and answer session with Mr. Turner and Ms. Harris. No action was taken on this report, information item only.

NOTE: Commissioner Gibson arrived at this time.

3. PROXY VOTES:

	FOR	AGAINST
Archer-Daniels-Midland Co. Stockholder proposal: Amend Corporate bylaws to indemnify directors	6	0
Briggs Strattion Corp. Company sponsored proposal: Amend bylaws to indemnify directors	6	0
Clorax Corp. Company sponsored proposal: To reincorporate in Delaware and amend bylaws to eliminate cumulative voting, eliminate 10% or more of shareholders to call special meeting and to eliminate personal director liability.	1	5
ConAgra, Inc. Company sponsored proposal: Amend bylaws to indemnify directors	6	0
General Mills Company sponsored proposal: Amend bylaws to indemnify directors	6	0
General Mills Shareholder proposal: Amend stock option plan	0	6
Harris Corp. Company sponsored proposal: Amend bylaws to indemnify directors	6	0
Winn-Dixie Stores Company sponsored proposal: Discourage take over by requiring 2/3 vote to remove director without cause.	1	5

4. CHIEF INVESTMENT OFFICER REPORT

The Chief Investment Officer reported that:

a) He had supplied the Board with a memo regarding the implementation of South African investment restrictions The Board reviewed and discussed the report with Mr. Bowman.

b) He and Commissioner Denning attended a conference on Venture Capital. He reviewed the seminar topics with the Board.

5. RECONSIDERATION OF EMPLOYMENT OF PUTNAM INTERNATIONAL ADVISORS:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the reconsideration of employment of Putman International Advisors. The Board reviewed and discussed the report with staff.

ACTION: It was moved by Weisberg, seconded by Denning to terminate the employment contract of Putnam International Advisors; the motion passed, 4-2 (Ashe, Driscoll).

ACTION: It was moved by Denning, seconded by Weisberg to reallocate the 33 million dollars of international equity monies to the management firm of Oeschle International; motion passed, 5-1 (Ashe).

SUPPLEMENTAL CALENDAR

ITEM

1. VOLUNTARY SERVICE RETIREMENT LIST, 7-86.

ACTION: It was moved by Weisberg, seconded by Denning to adopt the Voluntary Retirement List 7-86, motion passed, 5-0 (Gibson).

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

McLaughlin, James

ACTION: It was moved by Walker, seconded by Denning to approve the request for James McLaughlin; motion passed, 5-0 (Gibson).

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Robert Williams $2,000.00

ACTION: It was moved by Weisberg, seconded by Denning to accept the settlement for Robert Williams; motion passed, 5-0, (Gibson).

4. PROXY VOTES:

	FOR	AGAINST
Wang Laboratories Company sponsored proposal: Extend indemnification to employees, agents and other persons who serve at company's request.	0	6
Delta Airlines Company sponsored proposal: Extend indemnification to directors, recovery only for; breach of duty of loyalty, failure to act in good faith, intentional misconduct, self dealing.	6	0
Automatic Data Processing Company sponsored proposal: Amend bylaws to indemnify directors	6	0
Morton Thiokol Company sponsored proposal: Amend bylaws to indemnify directors.	6	0

EXECUTIVE SESSION
(Personnel Issue)

The Board went into Executive Session to discuss a Retirement System Personnel issue. The Board reconveyned in open session and announced they discussed the job announcement for the position of Actuary.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Board calendar for the remainder of the calendar year needs to be scheduled at this time. The Board discussed the available dates. She will issue a memo confirming all Board meetings for the remainder of the year.

2. She wished to remind Board members of the 3 upcoming conferences to ascertain attendance.

There being no further business,
the Board adjourned at 8:00 PM.

Respectfully submitted,

Clare M. Murphy
Clare M. Murphy,
General Manager

NOTE: A transcript of this meeting was made by
Richard Adams, CSR

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 14, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari President,	Board of Supervisors
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, September 30, 1986

ACTION: Approved as amended.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT - COMPROMISE AND RELEASE:

Lavelle Trotter $ 4,426.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Bobbie Lee Jones $ 3,647.50

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sylvanna Alemany

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Phyllis Hertel

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Alfred Lent

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Kirkland Rivers

ACTION: It was moved by Weisberg, seconded by Driscoll to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISIONS:

DOLAN, Mary E.
Social Services - 1426 Sr. Clerk Typist
Ordinary Disability
Effective Date: August 30, 1986 GRANTED

IREY, James
PH/SFGH - 2532 Paramedic
Ordinary Disability
Effective Date: March 15, 1986 GRANTED

WILLIAMS, Lawrence
Airport - 9210 Airport Police
Ordinary Disability
Effective Dqte: June 1, 1985 GRANTED

ACTION: It was moved by Walker, seconded by Weisberg to accept the Hearing Officer decisions; motion passed 4-0.

NOTE: Commissioner Denning arrived at this time

SUPPLEMENTAL CALENDAR

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Raymond A. Christiansen $23,000.00

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Imelda Quesada

NOTE: The above items were acted upon with a single vote.

NOTE: It was moved by Weisberg, seconded by Driscoll to adopt the Supplemental Calendar; motion passed, 5-0.

INVESTEMENTS CALENDAR

ITEM

1. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that:

A. PROXY VOTES:	FOR	AGAINST
Automatic Data Processing Company sponsored proposal; Amend the bylaws to permit limitation of personal liability for directors.	5	0

b) He requested the Board to vote on a proxy policy issue regarding recent requests from companies who want to amend their bylaws limiting the personal liability for directors.

ACTION: It was moved by Weisberg, seconded by Denning to authorize staff to vote on proxies from companies that are amending their bylaws to limit personal liability for directors; motion passed, 5-0.

c) He had furnished the Retirement Board with a new list of companies doing business in South Africa.

d) He had furnished the Board with a progress report on implementation of South Africa investment restrictions.

e) He furnished the Board with a proposed schedule of activities for the Investment Division for 1987. The Board engaged in a question and answer session with staff regarding the planned activities.

GENERAL MANGER'S REPORT

The General Manager reported that:

1. She had furnished the Retirement Board with meeting dates for October through December, 1986.

2. The annual Christmas lunch sponsored by Hartford Variable Annuity Life Insurance Company is to be held Thursday, December 18. Formal invitations will be sent under separate cover.

3. She attended the CALAPRS Administrators meeting in Ontario, CA on September 26. The main issue for discussion was fiduciary liability insurance. The State legislature passed a law that was not signed by the Governor as he perceived it to be too broad and expensive. A second attempt is being pursued by STRS to enact the legislators law by instituting a joint powers agreement. This concept is also failing due to lack of interest by other public pension funds.

4. She informed the Board on the new tax law and the impact on the Retirement System for the 3 year recovery for member contributions. This section has been repealed. She will update the Board as changes occur.

5. She reported that she has attended several meetings where Workers' Compensation has been the major topic. An MBO will be established for the 9 departments which are expending the greatest amount of money.

   A committe has been established on occupational health and safety in conjunction with this year's MOU process. The first meeting is scheduled for Wednesday, October 15, 1986.

6. Supervisor Walker has been reviewing and discussing the location of Workers Compensation. She is raising questions as to why Workers' Compensation is not located at San Francisco General Hospital.

7. Retirement staff in conjunction with the Department of Public Health has been preparing a report on active deaths and disability retirements for the three years between July 1, 1983 and September 30, 1986. Pam Levesque, Executive Assistant, created the data base and will bring a report to the Board in the future.

BOARD MEMBERS

Dr. Weisberg requested that staff distribute recent Council of Institutional Investors mailings.

Peter Ashe reported on the new poll concerning Proposition 61,

There being no furhter business.
the Board adjourned at 3:47 PM.

Respectfully submitted,

Clare M Murphy

Clare M. Murphy,
General Manager

NOTE: A transcript of this meeting was made by Richard Adams, CSR.

October 14, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

WEDNESDAY, OCTOBER 29, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT:	John L. Molinari President,	Board of Supervisors
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, October 14, 1986

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING SEPTEMBER 30, 1986.

   Herb Meiberger, Security Analyst rendered a written and oral report on the performance of the Internal and External Fixed Income Managers for the period ending September 30, 1986. The Board reviewed and discussed the report.

   No action was taken on this report. It was an information item only.

   NOTE: Commissioner Driscoll arrived at this time.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDING SEPTEMBER 30, 1986.

   Carolyn Hamilton, Assistant Chief of Investments presented a written and oral report on the Performance of Internal and External Equity Managers for the period ending September 30, 1986. The Board engaged in a question and answer with Ms. Hamilton.

   No action was taken. This was a information item only.

3. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JANUARY 31, 1987.

   DeWitt Bowman, Chief Investment Officer presented a written and oral recommendation on the allocation of funds for the period ending January 31, 1987. The Board reviewed and discussed the recommendation with Mr. Bowman

   ACTION: It was moved by Denning, seconded by Walker to adopt staff's recommendation on the allocation of funds for the period ending January 31, 1987; motion passed 5-0 (see attached).

October 29, 1986

4. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that:

A. Proxy Votes.

	FOR	AGAINST
Campbell Soup Shareholder Proposal: Limit the term of outside directors to six years	0	5

B. He presented a report on the effects of the South African Investments Restrictions. The Board reviewed and discussed the report.

C. He presented a new list of the U. S. Companies doing business in South Africa. The Board discussed the companies that have been withdrawn from the list.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 8-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

BAILEY, Antoniette $ 5,000.00

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

BAKER, Larry N.

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

CAMPERS, Willie Jr.

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

HARPER, Alan

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

MARKHAM, Larry

g) REQUEST TO AUTHORIZE BIRTHDATE CORRECTION:

TILMAN, Mary D.

ACTION: It was moved by Denning, seconded by Weisberg, to adopt the Consent Calendar except for items d and f which will be be calendared at the November 12 Board meeting; motion passed, 5-0.

October 29, 1986

REGULAR CALENDAR

ITEM

1. 1985-1986 RETIREMENT SYSTEM ANNUAL REPORT - FINAL ADOPTION:

Pam Levesque, Executive Assistant presented the final draft of the 1985-86 Retirement System Annual Report. The Board reviewed and discussed the report.

ACTION: It was moved by Weisberg, seconded by Walker to adopt the 1985-86 Retirement System Annual Report; motion passed, 5-0.

2. HEARING OFFICERS DECISIONS:

BEHNEKE, Kendall Gene
PH/SFGH - 2604 Food Service Worker
ORDINARY DISABILITY
Effective Date: July 7, 1986 GRANTED

BUSALACCHI, Mario
POLICE - Q50 Sgt. Police
INDUSTRIAL DISABILITY
Effective Date: Jan. 21, 1984 GRANTED

GRAY, Sam Jr.
SHERIFF DEPT. - 8304 Deputy Sheriff
PERS INDUSTRIAL DISABILITY GRANTED

McCLUSTER, Edward
SFGH - 2302 Orderly
ORDINARY DISABILITY
Effective Date: July 1, 1986 GRANTED

NEAL, Joseph D.
WAR MEMORIAL - 2708 Custodian
ORDINARY DISABILITY
Effective Date: August 5, 1986 GRANTED

SEBASTINELLI, Joseph F.
FIRE - H4 Inspector
INDUSTRIAL DISABILITY DENIED

ACTION: It was moved by Denning, seconded by Walker to accept the Hearing Officers Decisions; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST FOR BIRTHDATE CORRECTION:

   Paul, Mary Lee

2. REQUEST FOR BIRTHDATE CORRECTION:

   Wiley, Algeretta F.

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Merritt, E. Terry

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Gardinier, Colin

5. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Dolson, Maurine $42,000.00

6. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

   Panichella, Genevieve $ 5,000.00

7. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

   Solon, Martin $1,112.00

The Board Members voted on the above seven items with one vote.

ACTION: It was moved by Weisberg, seconded by Denning to adopt the Consent portion of the Supplemental Calendar; motion passed, 5-0.

8. HEARING OFFICER DECISIONS:

   RESTIVO, Ronald E.
   FIRE - H2 Firefighter
   INDUSTRIAL DISABILITY
   Effective Date: Dec. 8, 1986 GRANTED

ACTION: It was moved by Weisberg, seconded by Denning to accept the Hearing Officer Decisions; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She had received a request to participate in a survey which will be conducted by the California League of Cities. The cost for participation of a pension plan of our size is $7,000.00. She discussed the advantages and disadvantages of the Retirement System's participation in this survey. She will present the matter at the next Board meeting for action.

2. She distributed the NCPERS bulletin on mandatory Medicare coverage for State and Local Government employees. The Board discussed this information.

3. She distributed an article which was written on the Retirement System by San Francisco Chronicle Columnist Donald White. She also distributed the staff response to the article.

4. She distributed an article written in the San Francisco Chronicle by Roger Boas which included a suggestion that the Retirement System invest in local venture capital projects. Supervisor Carol Ruth Silver has requested the Board of Supervisors to hold hearings on this issue. She will keep the Board apprised.

5. She discussed two law suits with the Board. The City of Pasadena lost its final appeal in a lawsuit resulting from a Charter amendment 1983 which stopped the CPI related COLA for safety retirees. The Los Angeles Police and Fire COLA suit is in final arguments at the Court of Appeals.

6. She discussed the budget issues which the Retirement System will present to the Mayor's office on November 1, 1986.

7. She discussed the internal salary adjustment for the Chief Investment Officer. The request has been made of the Civil Service Commission. The Board discussed the process with the Chief Investment Officer and Ms. Murphy.

8. She reported on the completion of the annual controllers audit, showing the fund as of June 30, 1986 at $2,453,246,000.

   Value at market at $2,714,210,000.

9. There are four candidates for the Board seat presently occupied by Commissioner Walker. The seat will be filled February 20, 1987.

The four candidates are:

Samuel W. Walker

Peter Fries

Joseph F. DeRouen

E. La Vergne Keppard

BOARD MEMBERS

Commissioner Denning reported that he had visited Fred Alger Management Inc. during his recent trip to New York. He discussed his impressions with the Board and staff.

Commissioner Weisberg requested that the Board take a position on the Council of International Investors Bill of Rights.

There being no further business, the Board adjourned at 5:40 PM.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: A transcript of this meeting was made by Richard Adams, CSR.

October 29, 1986

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Investment Division

October 23, 1986

TO: Members of the Retirement Board

FROM: DeWitt Bowman
Chief Investment Officer

THROUGH: Clare M. Murphy
General Manager

SUBJECT: Staff Recommendation for the Allocation of Funds for the Period Ending January 31, 1987

We are presenting the current asset allocation and anticipated income and the recommended asset allocation for the coming quarter in a new format to accommodate our new international sectors and to correlate with our asset allocation study. In addition to showing the current market value of each portfolio and its proportionate share in the relevant asset sector, we show the current total of each sector and its proportionate share to the total portfolio compared to the asset sector goals adopted in our asset allocation study.

The recommended asset allocation then shows the income accruing in each sector from the individual portfolios and the recommended additional allocations which are identified by an asterisk. Upon adding these allocations, the resulting proportionate share of the each portfolio and sector is then calculated and shown along with the changes.

The recommended allocations in addition to the accumulating income are for the following sectors:

1. Domestic Equity - $7,000,000

   The recommended additional allocation is to the equity index fund to maintain our 30% portfolio sector allocation goal.

2. International Equity - $6,000,000

   The additional allocation is recommended equally to the three managers to bring the total sector allocation closer to our 6% goal. International securities still appear attractive on a comparative basis.

(415) 558-5061 1155 Market Street San Francisco 94103

3 California Mortgages - $17,158,897

The additional allocation to the accumulating income is recommended in view of the excellent returns available in this area and our desire to continue our mortgage commitments.

4. International Fixed Income - $4,000,000

The additional allocation is recommended equally to the two managers to bring the total sector allocation closer to our 7% goal. International securities still appear attractive on a comparative basis.

Even after the recommended allocations, the percentage in domestic fixed income is expected to increase to 58.2%, 16.2% over our 40% goal. With the upcoming real estate and venture capital reviews to be performed in the first quarter of 1987, however, it is expected that additional funding for these sectors will be made from the Internal Active fixed income portfolio. Along with working towards our goals in the other sectors, this action would reduce the domestic fixed income sector to our recommended levels.

San Francisco City and County
Employees' Retirement System Recommended
Asset Allocation for the Quarter Ending January 31, 1987

Funds Analysis

Projected Net Contributions	26,000,000
Projected Income	43,295,349
Total Available for Allocation	69,295,349

Recommended Cash Flow Allocation

Sector	Manager	Recommended Amount	Sector %	Portfolio %	Change %
Domestic Equity	Equity Index*	8,166,057	18.3		+ .6
	Internal Equity	835,336	9.6		.0
	McCullough, Andrews	311,439	4.3		.0
	George Springman	1,026,892	15.9		- .2
	Hanson	327,946	6.3		- .1
	Hahn, Holland	248,952	3.9		.0
	Furman Selz	363,694	6.5		.0
	Loomis Sayles	764,308	16.7		- .2
	Fred Alger	764,952	14.7		- .1
	Nicholas Applegate	39,336	3.8		.0
TOTAL		12,848,912	100.0	30.0	- .3
International Equity	Capital Guardian*	2,207,974	32.9		.0
	Morgan Grenfell*	2,138,612	35.0		- .1
	Oechsle Int.*	2,151,846	32.1		+ .1
TOTAL		6,498,432	100.0	4.0	
Venture Capital		0			
TOTAL		0	0.0		
Domestic Fixed Income	Internal Active	14,232,934	54.8		- .6
	Private Placement	0	7.2		- .2
	Cal. Mortgages	20,000,000	8.4		+ 1.1
	MacKay Shields	2,930,471	8.9		.0
	Lehman Asset	2,222,149	6.0		- .1
	Bankers Trust	1,868,637	6.3		- .1
	Scudder, Stevens	2,839,801	8.4		- .1
TOTAL		44,093,992	100.0	58.2	+ .2

International Fixed Income	First Chicago*	3,008,359	49.9		+ .1
	Warburg Int.*	2,845,654	50.1		- .1
TOTAL		5,854,013	100.0	3.9	+ .1
Real Estate	Coldwell Banker	0	100.0		
TOTAL		0	100.0	3.9	- .1
TOTAL RECOMMENDED ALLOCATION		69,295,349		100.0	

* Portfolios with recommended allocations in addition to accumulating income.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

WEDNESDAY, NOVEMBER 12, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
ABSENT:	John L. Molinari President,	Board of Supervisors
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, October 29, 1986

ACTION: Approved as Submitted.

RETIREMENT BOARD

QUARTERLY INVESTMENT MEETING

INVESTMENT CALENDAR

ITEM

1. CALLAN ASSOCIATES. INVESTMENT REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 1986:

   Russ Blumenthal presented a written and oral report on the Performance of Investments for the quarter ending September 30, 1986. The Board engaged in a question and answer session on the economic forecast and individual money manager performance.

   No action was taken by the Board on this item; it was information only.

2. PRESENTATIONS BY EXTERNAL FIXED INCOME MANAGERS FOR THE QUARTER ENDING SEPTEMBER 30, 1986:

   Representatives of the following firms, investments managers of the fixed income portion of the Retirement System portfolio rendered written and oral reports on the status of the fixed income performance for the quarter ending September 30, 1986.

   Mackay Shields Financial Corporation

   Bankers Trust Company

   Lehman Asset Management Corporation

   Scudder, Stevens and Clark

   The Board members and staff exchanged viewpoints and comments on portfolio performance. The firm representatives also discussed current and projected economic conditions. No action was taken on this report.

3. REAL ESTATE & VENTURE CAPITAL INVESTMENT STANDARDS:

   DeWitt Bowman, Chief Investment Officer presented a written and oral report on Real Estate and Venture Capital Investment Standards. Dan Maguire, City Attorney discussed the potential conflict of interest that exists with Commissioner Denning with respect to venture capital. The Board discussed the report with Mr. Bowman and suggested the standards be rewritten . Mr. Bowman will resubmit revised standards at the December 9, 1986 Board meeting.

November 12, 1986

4. AMENDMENT TO SOUTH AFRICA RESOLUTION:

DeWitt Bowman, Chief Investment Officer presented the amendment to the South African Resolution. The Board reviewed and discussed the amendment.

ACTION: It was moved by Denning, seconded by Weisberg to adopt the amended South African Resolution; motion passed, 5-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:

A. Proxy Vote:

Caesar's World, Inc.	FOR	AGAINST
Shareholder Proposal: Would require the Board to refrain from adopting anti-takeover charter amendments.	2	3

B. DeWitt Bowman reported on a new proxy service. He did not recommend a purchase at this time.

CONSENT CALENDAR

The following items were presented under the Consent Calendar

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST, 9-86

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
RACZKOWSKI, Raymond $1,560.00

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
CAMPERS, Willie

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
HAWTHORNE, B. JANE

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
MARKHAM, Larry

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
O'NEAL, Terrance

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
SANDRIDGE, James

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
TOUSSAINT, Albert

ACTION: It was moved by Denning, seconded by Walker to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1. HEARING OFFICERS DECISIONS:

JACOBSON, Sylvie
Civil Service Commission - 1235 Affirmative Action Coordinator
ORDINARY DISABILITY
Effective Date: October 30, 1986 GRANTED

KEAYS, Robert
Police - Q2
INDUSTRIAL DISABILITY
Effective Date: Oct. 18, 1986 GRANTED

RUBIN, John W.
Fire Dept. - H2 Firefighter
ORDINARY DISABILITY
Effective Date: July 4, 1986 GRANTED

ACTION: It was moved by Weisberg, seconded by Denning to accept the Hearing Officers Decisions; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

ITEM

1. PROXY VOTE:

Litton Industries	FOR	AGAINST
Shareholder Proposal: Would set a ceiling on executive pensions to be determined by ERISA limitations	1	4

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

BROWN, Rayfield, Jr. $47,500.00

ACTION: It was moved by Walker, seconded by Weisberg to adopt the settlement of Rayfield Brown Jr.; motion passed, 4-1 (Denning)

NOTE: Items 3 to 7 were voted on as one Consent item. Item 2 was heard separately.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

HENDERSON, David 1,000.00

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

CAMPERS, Willie, Jr.

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

HANSEN, Harry H.

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

VAN STEENBERGE, Patricia

7 REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

QUESADA, Imelda

ACTION: It was moved by Denning, seconded by Walker to accept items 3 through 7 of the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that :

1. George Springman has scheduled his annual Christmas Luncheon for December 29, 1986. Board members should try to keep that date available.

BOARD MEMBERS

Commissioner Ashe commended Retirement System staff for the excellent work that was performed in face of the Gann initiative.

Commissioner Ashe informed Board members of an article he distributed on real estate issues.

Commissioner Walker discussed problems he was having with the PPSD System. Staff will talk with Commissioner Walker to resolve these problems.

There being no further business, the Board adjourned at 6:00 PM

Respectfully submitted

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: A transcript of this meeting was made by Richard Adams, CSR.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, DECEMBER 9, 1986 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT:	John L. Molinari President,	Board of Supervisors
	Paul F. Denning	Vice President
	Bonnie K. Gibson	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, November 12, 1986

ACTION: Approved as submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 10-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE - THIRD PARTY SETTLEMENT:
Wilbur Bacy $300.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
James Brown $1,400.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Walter Brown $4,488.60

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jerome DeFilipo $726.80

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Patrick Dillon $3,150.75

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
William Faust $878.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mamie Harrison $20,000.00

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Marijane Monaghan $8,940.33

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Antonette O'Guinn $1,503.91

k) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
George Stasko $990.42

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
George Taylor $10,000 & Rehabilitation

m) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE - THIRD PARTY SETTLEMENT:
Jessie Washington $1,800.00

December 9, 1986

n) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Lacomas Wolfe $2,709.94

o) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Donald Woolard $3,292.96

p) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE - THIRD PARTY SETTLEMENT:
Anthony Valera $4,136.50

q) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Robbie Austin

r) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Oscar Cabangis

s) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Donnie Cartwright

t) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lawrence R. Dow

u) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Crescencia Estellena

v) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Ruth G. Gonzales

w) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
John Herrera

x) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
William Kidd

y) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Anthony Piazzi

z) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Vivian Sue Warren

aa) REQUEST FOR 2 BOARD MEMBERS AND ONE STAFF TO ATTEND THE INSTITUTIONAL INVESTOR PENSION CONFERENCE JANUARY 7-9, 1987 IN NEW YORK CITY.

bb) REQUEST FOR BOARD MEMBERS AND STAFF TO ATTEND THE 1987 CALLAN ASSOCIATION NATIONAL CONFERENCE JANUARY 26-28, 1987 IN SAN DIEGO, CALIFORNIA.

ACTION: It was moved by Weisberg, seconded by Driscoll to adopt the Consent Calendar except for item "r" which will be recalendared at the next regular scheduled meeting; motion passed, 4-0.

REGULAR CALENDAR

1. PRESENTATION BY CONSULTING ACTUARY MILLIMAN AND ROBERTSON ON ECONOMIC ASSUMPTIONS.

Bill Smith consulting actuary from Milliman & Robertson presented a written and oral report on the Economic Assumptions that will be used in the current valuation study. The Board reviewed and discussed the report with Mr. Smith and Ms. Murphy, General Manager.

ACTION: It was moved by Driscoll, seconded by Walker to accept the economic assumptions recommended by the Consulting Actuary Milliman & Robertson; motion passed, 4-0.

2. REQUEST TO AUTHORIZE TRANSFER OF $1,571,876. TO PERS FOR DA INVESTIGATORS, EFFECTIVE DECEMBER 27, 1986

Clare M. Murphy, General Manager, presented a written and oral request to the Board to authorize transfer of $1,571,876 to PERS for the DA Investigators. The transfer will be effective December 27, 1986. The Board engaged in a question and answer session with Ms. Murphy.

ACTION: It was moved by Walker, seconded by Weisberg to authorize a transfer of $1,571,876 to PERS for the DA Investigators to be effective December 27, 1986; motion passed, 4-0.

3. REQUEST TO SUBMIT SUPPLEMENTAL APPROPRIATION FOR WORKERS' COMPENSATION FOR $5,500,000.

Clare M. Murphy, General Manager and Rudolph Hernandez, Deputy General Manager of Operations and Finance presented a written and oral request to submit a supplemental appropriation for Workers' Compensation in the amount of $5,500,000. The Board discussed the request with Ms. Murphy and Mr. Hernandez.

ACTION: It was moved by Weisberg, seconded by Walker to approve the request to submit a supplemental appropriation for the Workers' Compensation Division in the amount of $5,500,000; motion passed, 4-0.

4. RESOLUTION COMMENDING EXECUTIVE ASSISTANT F. WALTER JOHNSON:

ACTION: By unanimous acclamation, the Board adopted the resolution attached commending F. Walter Johnson on his pending retirement from the City and County of San Francisco

5. HEARING OFFICERS DECISIONS:

CANAAN, Peter L.
POLICE DEPT. - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: Nov. 27, 1986 GRANTED

COLLINS, Raymond O.
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: July 26, 1986 GRANTED

DRISCOLL, Stephen
POLICE DEPT. - Q-60 Lt. Police
INDUSTRIAL DISABILITY DENIED

EMERY, Robert G.
DPH/SFGH/EMS - 2532 Paramedic
ORDINARY DISABILITY
Effective Date: August 23, 1986 GRANTED

HAMILTON, Dale
FIRE DEPT. - H30 Captain
INDUSTRIAL DISABILITY
Effective Date: Oct. 8, 1986 GRANTED

MURRAY, William J.
FIRE DEPT. - H30 Captain
INDUSTRIAL DISABILITY
Effective Date: August 19, 1986 GRANTED

SMITH, William H.
MUNI - 9155 Claims Investigator
ORDINARY DISABILITY
Effective Date: August 30, 1986 GRANTED

STERN, Thomas H.
FIRE DEPT. - H2- Firefighter
INDUSTRIAL DISABILITY
Effective Date: January 14, 1985 GRANTED

ACTION: It was moved by Walker, seconded by Weisberg to accept the Hearing Officers Decisions; motion passed, 4-0.

INVESTMENT CALENDAR

1. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1986

   Carolyn Hamilton, Assistant Chief of Investments presented a written and oral report on the Performance of the External International Fixed Income Managers for the quarter ended September 30, 1986.

   The Board reviewed and discussed the report. No action was taken on this report, information item only

2. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1986

   Mark Coleman, Security Analyst, presented a written and oral report on the Performance of the External International Fixed Income Managers for the quarter ended September 30, 1986.

   The Board reviewed and discussed the report. No action was taken on this item, information only.

3. STAFF REPORT ON THE PERFORMANCE OF COLDWELL BANKER FUNDS III, IV, V, VI, AND VIII FOR THE QUARTER ENDED SEPTEMBER 30, 1986.

   Carolyn Hamilton, Assistant Chief of Investments presented a written and oral report on the Performance of the Coldwell Banker Funds III, IV, V, VI and VII for the quarter ended September 30, 1986.

   The Board reviewed and discussed the report. No action taken on this item, information only

4. INVESTMENT PROCEDURE STANDARDS.

DeWitt Bowman, Chief Investment Officer presented a written and oral report on propossed Investment Procedure Standards. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: It was moved by Weisberg, seconded by Driscoll to adopt Investment Procedure Standard. Item 1, 2, 3 and 5, item 4 will be rewritten and resubmitted at the next regularly scheduled Board Meeting; motion passed, 4-0.

5. RESULTS OF PRESENTATION OF THE ASSET ALLOCATION STUDY BY DR. FRANK SORTINO OF SAN FRANCISCO STATE UNIVERSITY.

Dr. Frank Sortino of the Pension Research Institute from San Francisco State University presented a written and oral report. The Board reviewed and discussed the report with Dr. Sortino. No action was taken on this item, information only.

6. CHIEF INVESTMENT OFFICER REPORT

The Chief Investment Officer reported that:

A. Proxy Vote:

	FOR	AGAINST
Jim Walter Corporation. Shareholder Proposal Would require cumulative voting for directors	4	0
Meredith Corp. Shareholder Proposal Request to issue class B stock.	0	4

B. He presented an updated list on the U.S. Companies currently doing business with South Africa.

C. He had been asked to participate in an Arbitrage Limited Partnership Fund known as HFS Partner II which was recommended by the Hellmann Friedman Firm.

SUPPLEMENTAL CALENDAR

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Dorothy Silver

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Douglas Spencer $4,000.00

NOTE: The Supplemental Calendar was voted as one Consent item.

December 9, 1986

ACTION: It was moved moved by Walker, seconded by Weisberg to adopt the Supplemental Calendar; motion passed, 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Retirement Board is invited to the Retirement Staff Christmas Luncheon to be held at Charley Browns, Friday, December 19, 1986. All Board members should notify her as soon as possible if they plan to attend.

2. She informed the Board on the status of the examination process for the position of Actuary.

3. The Interim Budget Hearings are in process. The Retirement System had their hearing on November 26, 1986. The committee requested information on Workers Compensation costs and on the process of investment performance monitoring.

4. All November propositions have now been enacted into California State Law.

5. The Annual Callan Institute is being held January 26-28, 1987, in San Diego. All Board members interested in attending should notify her staff.

6. The CALAPRS General Assembly is scheduled for February 27, 1987, at the Oakland Hyatt.

7. She distributed a preliminary schedule for 1987 Board meetings.

8. She made a presentation before the Civil Grand Jury December 1, 1986. The meeting went very well.

BOARD MEMBERS

There being no further business, the Board adjourned at 5:50 p.m.

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by Richard Adams, CSR.

December 9, 1986

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 13, 1987 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement Systems

MINUTES: Minutes of Regular Meeting, December 9, 1986

ACTION: Approved as submitted.

REGULAR MEETING

MINUTES

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 11-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
BURNSIDE, Bertha $5,000.00

c) SETTLEMENT OF DISPUTED CLAIM - PARTIAL THIRD PARTY :
HARRIS, John H. $7,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
HENEGAN, Richard $811.61

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
LANDA, Elizabeth $1,650.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
OVERTON, Coy $136.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
YOUNG, Edward G. $174.90

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
ADVIENTO, Lavilina R.

i) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
BERRY, William Mayo

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
HEPBURN, Roberta

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
MAGPANTAY, Eduardo Z.

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
NG, Leung S.

m) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
SCOTT, William

n) REQUEST FOR BOARD MEMBERS AND STAFF TO ATTEND THE PENSION FUNDS AND REAL ESTATE STRATEGIES FOR WORKING TOGETHER IN LOS ANGELES, CA., MARCH 26-27, 1987.

ACTION: It was moved by Gibson, seconded by Weisberg to adopt the Consent Calendar; motion passed, 6-0

REGULAR CALENDAR

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Oscar C. Cabangis Jr.

Pamela Levesque, Executive Assistant, presented a written and oral report regarding the request of Oscar C. Cabangis Jr., to withdraw funds from Deferred Compensation Fund. Mr. Cabangis also made an oral presentation. The Board engaged in a question and answer session with Mr. Cabangis and staff.

ACTION: It was moved by Weisberg, seconded by Denning to approve the request to withdraw funds from Deferred Compensation Plan in the amount of $3,000; motion passed, 4-2. (Ashe-Gibson)

2. PROPOSED BUDGET FOR 1987-1988:

Clare M. Murphy, General Manager and Rudolph Hernandez, Deputy General Manager for Operations and Finance, presented a written and oral report on the proposed Retirement System Trust Fund and Worker's Compensation Budget for 1987-1988. The Board reviewed and discussed each budget.

ACTION: It was moved by Weisberg, seconded by Denning to approve the Retirement System proposed Trust Fund Budget; motion passed, 6-0.

ACTION: It was moved by Denning, seconded by Walker to approve the Retirement System Worker's Compensation Budget; motion passed, 6-0.

3. REPORT ON RECENT AMENDMENTS TO THE BROWN ACT:

Clare M. Murphy, General Manager and Ben Flores, Deputy City Attorney presented a written and oral report on the recent amendments to the Brown Act. The Board reviewed and discussed the amendments with staff. The Board also engaged in a question and answer session.

No action was taken on this item, this was an information only.

4. HEARING OFFICER DECISIONS:

BARAN, Marcia I.
DSS - 2910 Social Worker
ORDINARY DISABILITY
Effective Date: October 1, 1986 GRANTED

BRYAN, Truman D.
SFGH - 2908 Eligibility Worker
ORDINARY DISABILITY
Effective Date: Nov. 15, 1986 GRANTED

DILLON, John F.
DSS - 2914 Soc. work Supvr.
ORDINARY DISABILITY
Effective Date: August 20, 1986 GRANTED

GEOGHEGAN, Patrick
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY DENIED

GROSWIRD, William C.
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY/STIP DENIED

HAROOTENIAN, Haigh G.
FIRE DEPT. - H20 Lt.
INDUSTRIAL DISABILITY/STIP
Effective Date: August 22, 1986 GRANTED

HAWTHORNE, Mary Ann
DISTRICT ATTORNEY - 8158 Family Support Invst.
ORDINARY DISABILITY
Effective Date: Sept. 1, 1986 GRANTED

LA BRASH, George F.
POLICE - Q60 - Lt. Police
INDUSTRIAL DISABILITY/STIP DENIED

LAWSON, Gary
SF COMMUNITY COLLEGE - 3537 Technical Inst.
ORDINARY DISABILITY
Effective Date: Dec. 1, 1986 GRANTED

MAHONEY, Jerry
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY STIP
Effective Date: August 1, 1986 GRANTED

MEEDS, Pamela
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: July 20, 1986 GRANTED

ORTESI, Franco A.
SFUSD - 2703 Custodian
ORDINARY DISABILITY
Effective Date: Jan 1, 1986 GRANTED

PRICE, Dorothy J.
SFUSD -2672 Asst. Houseparent
ORDIANRY DISABILITY
Effective Date: May 1, 1986 GRANTED

PUTMAN, John E.
FIRE - H30 Captain
INDUSTRIAL DISABILITY/STIP
Effective Date: July 19, 1986 GRANTED

ACTION: It was moved by Denning, seconded by Gibson to accept the Hearing Officer Decisions and to authorize the City Attorney to petition for re-hearing in the Marcia I. Baran case; motion passed, 6-0.

INVESTMENTS CALENDAR

1. INVESTMENT PROCEDURE STANDARDS:

DeWitt Bowman, Chief Investment Officer presented a written and oral report on Investment Procedure Standards. The Board discussed the report with Mr. Bowman.

ACTION: It was moved by Denning, seconded by Gibson to adopt item 4 of the Investment Procedure Standards as amended during the meeting; motion passed, 6-0.(See amended change attached).

2. PROXY VOTES:

	FOR	AGAINST
Burlington Industries		
Shareholder Proposals:		
1. Restrict outside directors to no more then six year term	0	6
2. Change 80% approval necessary to accomplish mergers; to a two-third majority vote	5	1
Becton, Dickinson & Co.		
Shareholder Proposals:		
1. Require location of annual meeting to be rotated	0	6
2. Require directors be elected annually.	5	1

	FOR	AGAINST
Apple Computer Inc.		
Shareholder Proposal:		
Restrict company's ability to loan corporate funds without repayment schedule; finance a dealer and invest in a failing enterprise	1	5
Rockwell International		
Company Proposal:		
Authorize a new class of common stock which will entitle the holder to ten votes on matters which shareholders are entitled to vote.	0	6
Shareholder Proposals:		
1. Establish a fixed dollar ceiling on executive compensation equivalent to the limits established on executive compensation.	0	6
2. Require company to prevent radio-active and chemical waste pollution of the land, water and air at the Rocky Flats, Colorado plant.	0	6
Genentech Inc.		
Shareholder Proposal:		
Change State of Incorporation from California to Delaware.	1	5

3. RESOLUTION AUTHORIZING LEASE OF INVESTMENT EQUIPMENT:

DeWitt Bowman presented a written and oral report requesting a resolution authorizing the lease of investment equipment. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: It was moved by Gibson, seconded by Denning to adopt the resolution authorizing the lease of investment equipment; motion passed, 6-0.

4. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that:

1. He supplied the Board with a list of people that contacted the investment division during the month of December.
2. He discussed the upcoming investment manager presentations. The Board agreed to a schedule of meeting managers yearly unless circumstances require a more frequent presentation.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The Retirement Board election begins Friday January 26, all necessary steps are being followed to ensure a successful election.

2. A positive letter from POA was received regarding a Worker's Compensation incident.

3. The Cost of Living Adjustment will be implemented for Police and Fire retirees pension check by March 1, 1987.

BOARD MEMBERS

Commissioner Sam Walker requested a meeting with the General Manager regarding a Worker's Compensation doctor; he also requested a list of the banking institutions of the City Retirement System.

Commissioner Weisberg passed out information from the Council of Institutional Investors.

President Ashe discussed an asbestos incident involving Rec & Park employees. The Board discussed this incident with Workers' Compensation Claims Manager Brian Narlock.

By unanimous acclamation the Board adjourned at 6:00 PM in the memory of President Ashes's mother, Irene Ashe who passed away in December.

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by Richard Adams, CSR.

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PROCEDURE STANDARDS

1. It shall be the goal of the Board to establish investment standards and procedures to assure that System assets are invested to achieve maximum total portfolio returns over a long-term planning horizon at an appropriate level of risk. Investments may be of a generic or unique character but will be made after analysis of their relationship to other portfolio investments to assure ((of)) sufficient total portfolio liquidity to permit re-allocation of assets within sectors to achieve optimum portfolio returns under changing economic and System conditions and requirements.

2. The Board in exercising its fiduciary responsibility to the System shall take such action as necessary to assure that all assets of the System are invested under the management of skilled and experienced professional investment personnel in accordance with the goals and standards ((under)) within the restrictions adopted by the Board.

3. The qualifications and performance of the investment staff, investment managers, and consultants employed by the System will be continuously evaluated by the Board and changes in any of these may be made when determined to be appropriate by the Board.

4. ((All)) Individual security or property investment ((proposals)) decisions shall be preceded by: staff evaluation, staff comparison with other available investments of similar characteristics, and staff recommendation. ((received by the Board and staff will be referred to staff and the relevant asset sector manage for evaluation and recommendation in comparison to other available investments of similar characterics.))

5. In following these guidelines, however, the Board retains its ultimate investment responsibilities and reserves the right to consider and act upon specific investment and security proposals when in the Board's judgment is considered necessary or desirable.

Bold face print reflects new wording.

Deletions are shown by double parentheses.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

MONDAY, FEBRUARY 2, 1987 - 3:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement Systems

R E T I R E M E N T B O A R D

SPECIAL MEETING

Monday, February 2, 1987

INVESTMENTS CALENDAR

ITEM

1. REAL ESTATE INVESTMENT STRATEGY.

   DeWitt Bowman, Chief Investment Officer presented a written and oral report to the Board on a proposed Real Estate Investment Strategy. The Board reviewed and discussed the staff proposal. The Board members also engaged in a question and answer session with Mr. Bowman and the General Manager, Clare M. Murphy.

   ACTION: It was moved by Weisberg, seconded by Denning to authorize staff to begin a search for a Real Estate Equity Consultant under the guidelines discussed by the Board; motion passed, 6-0.

There being no further business the Board adjourned its meeting at 5:35 PM.

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by

Richard Adams, CSR.

February 10, 1987

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

MONDAY, FEBRUARY 2, 1987 - 3:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement Systems

R E T I R E M E N T B O A R D

SPECIAL MEETING

Monday, February 2, 1987

INVESTMENTS CALENDAR

ITEM

1. REAL ESTATE INVESTMENT STRATEGY.

   DeWitt Bowman, Chief Investment Officer presented a written and oral report to the Board on a proposed Real Estate Investment Strategy. The Board reviewed and discussed the staff proposal. The Board members also engaged in a question and answer session with Mr. Bowman and the General Manager, Clare M. Murphy.

   ACTION: It was moved by Weisberg, seconded by Denning to authorize staff to begin a search for a Real Estate Equity Consultant under the guidelines discussed by the Board; motion passed, 6-0.

There being no further business the Board adjourned its meeting at 5:35 PM.

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by

Richard Adams, CSR.

February 10, 1987

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

MONDAY, FEBRUARY 10, 1987 - 3:30 PM

PRESENT:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Paul F. Denning	Vice President
	Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager, Retirement Systems

MINUTES: Minutes of Regular Meeting, January 13 and February 2, 1987

ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

The following items were presented under the Investment Calendar:

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING DECEMBER 31, 1986.

   Herb Meiberger, Security Analyst presented a written and oral report on the Performance of Internal and External Fixed Income Managers for the period ending December 31, 1986. The Board reviewed and discussed the report. No action was taken; information item only.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDING DECEMBER 31, 1986.

   Carolyn Hamilton, Assistant Chief of Investments rendered a written and oral report on the Performance of Internal and External Equity Managers for the period ending December 31, 1986. The Board reviewed and discussed the report. No action was taken, information item only.

3. STAFF REPORT ON TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDING DECEMBER 31, 1986.

   DeWitt Bowman, Chief Investment Officer presented a written and oral report on the Total Portfolio Performance for the period ending December 31, 1986. The Board engaged in a question and answer session with Mr. Bowman. No action taken; information item only.

4. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING APRIL 30, 1987:

   DeWitt Bowman presented a written and oral recommendation on the allocation of funds for the period ending April 30, 1987. The Board reviewed and discussed the recommendation with Mr. Bowman.

   ACTION: It was moved by Weisberg, seconded by Gibson to approve staff's recommendation on the allocation of funds for the period ending April 30, 1987. (See attached recommendation), motion passed, 5-0.

5. PROPOSAL FOR FOREIGN SECURITIES LENDING:

DeWitt Bowman, Chief Investment Officer presented a written and oral proposal for a Foreign Securities Lending Program with the Bankers Trust Co. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: It was moved by Weisberg seconded by Gibson to authorize staff to participate in a Foreign Securities Lending Program with Bankers Trust Co., motion passed, 5-0.

6. INVESTMENT PROCEDURE STANDARDS: FINAL ADOPTION:

DeWitt Bowman, Chief Investment Officer rendered a written and oral presentation of the Investment Procedure Standards. The Board reviewed the standards for final adoption

ACTION: It was moved by Driscoll, seconded by Gibson to adopt the Investment Procedure Standards (see attached standards); motion passed, 5-0.

7. CHIEF INVESTMENT OFFICER REPORT:

The Chief Investment Officer reported that;

A. He presented a written and oral report to the Board on the Implementation of South Africa Investments Restrictions.

B. He presented a written and oral report to the Board on the effects of the South Africa Investments Restrictions.

C. He presented a written and oral report to the Board on U. S. Companies doing business in South Africa.

D. Proxy Votes:

	FOR	AGAINST
1. Westvaco Corporation Shareholder proposal: To end the election of directors on a classified basis.	5	0
2. Walt Disney Corporation Shareholder proposal: To change the State of incorporation from California to Delaware.	0	5

CONSENT CALENDAR

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST 12-86 and 13-86.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Agdeppa, Gloriosa

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Hughes, Lauretta

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Smith, Manuela

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Burns, Marilyn $ 3,576.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Crisp, Alfred C. $361.40

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Ivy. Rickey $2,278.00 C&R

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Knight, Daniel $2,115.00 C&R

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Leggins, James E. $2,000.00 C&R

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Loveille, Frederick $729.00

k) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mesa, Angelito $572.12

l) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Mino, Mark $637.50

m) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Nicholas, Dan $448.85

n) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:
Santos, Edward $500.00

o) APPLICATION FOR BIRTHDATE CORRECTION:

Neal, Nillie Mae

p) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND CALAPRS BOARD OF DIRECTORS MEETING IN SACRAMENTO FEBRUARY 20, 1987:

q) REQUEST FOR AUTHORIZATION FOR THREE STAFF TO TRAVEL TO PERS IN SACRAMENTO:

r) REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS TO ATTEND THE NCPERS ANNUAL CONFERENCE IN MAUI, HAWAII, APRIL 4-11, 1987:

s) REQUEST FOR STAFF TO ATTEND THE GFOA 81ST ANNUAL CONFERENCE MAY 31, JUNE 3, 1987 IN WASHINGTON, D.C.:

ACTION: It was moved by Gibson, seconded by Walker to remove items "p" through "s" from the Consent Calendar and act only on items "a" through "o" as Consent Items; motion passed, 3-1 (Ashe) (Weisberg absent).

ACTION: It was moved by Gibson, seconded by Walker to adopt items "a" through "o" of the Consent Calendar; motion passed, 4-0.

p) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE CALAPRS BOARD OF DIRECTORS MEETING IN SACRAMENTO FEBRUARY 20, 1987:

ACTION: It was moved by Gibson, seconded by Weisberg to approve the request for authorization for one staff to attend the CALAPRS Board of Directors Meeting in Sacramento, February 20, 1987; motion passed, 5-0.

q) REQUEST FOR AUTHORIZATION FOR THREE STAFF TO TRAVEL TO PERS IN SACRAMENTO:

ACTION: It was moved by Gibson, seconded by Weisberg to approve the request for authorization for three staff to travel to Sacramento to implement the Prop. "F" Reciprocity Agreement which was passed by the voters in November 1986; motion passed, 5-0.

r) REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS TO ATTEND THE NCPERS ANNUAL CONFERENCE IN MAUI, HAWAII, APRIL 4-11, 1987:

ACTION: It was moved by Gibson, seconded by Walker to approve the request for authorization for Board Members to attend the NCPERS Annual Conference in Maui, Hawaii, April 4-11, 1987; motion passed, 5-0.

s) REQUEST FOR STAFF TO ATTEND THE GFOA 81ST ANNUAL CONFERENCE MAY 31, JUNE 3, 1987 IN WASHINGTON, D. C.:

ACTION: It was moved by Weisberg seconded by Walker to approve the GFOA 81st Annual Conference May 31-June 3rd in Washington, DC; motion passed 5-0.

REGULAR CALENDAR

ITEM

1. RESOLUTION AUTHORIZING TRAVEL TO CALAPRS MEETINGS:

ACTION: It was moved by Weisberg, seconded by Walker to approve the Resolution authorizing travel to CALAPRS Meeting; motion passed 5-0. (See attached resolution).

2. REQUEST TO APPROVE AMENDED PLAN DOCUMENT FOR THE DEFERRED COMPENSATION PLAN FROM HARTFORD VARIABLE LIFE INSURANCE COMPANY:

Pam Levesque, Executive Assistant presented a written and oral request to approve an Amended Plan Document for the Deferred Compensation Plan from Hartford Variable Life Insurance Company. The Board engaged in a question and answer session with Ms. Levesque and Ben Flores, Deputy City Attorney.

ACTION: It was moved by Weisberg, seconded by Walker to approve the Amended Plan Document for the Deferred Compensation Plan; motion passed, 5-0.

3. REVIEW OF 1985-1986 MBO PERFORMANCE FOR THE RETIREMENT SYSTEM:

Rudy Hernandez, Deputy General Manager for Operations and Finance and Clare M. Murphy, General Manager rendered a written and oral review of the 1985-1986 MBO Performance for the Retirement System. The Board reviewed and discussed the results. No action was taken, information item only.

NOTE: Commissioner Weisberg left the meeting at this time.

4. HEARING OFFICER DECISIONS:

SHINE, John M.
POLICE Department - Q2
INDUSTRIAL DISABILITY DENIED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer Decision; motion passed, 4-0.

SUPPLEMENTAL CALENDAR

The Supplemental Calendar may only be Heard after the Retirement Board has voted by a two-thirds majority of members present to hear the listed items.

ACTION: It was moved by Gibson, seconded by Driscoll to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. PROXY VOTES:

	FOR	AGAINST
Alco Standard Corp. Shareholder Proposal: To eliminate cumulative voting for directors.	0	5
General Cinema Corp. Shareholder Proposal: Adopt cumulative voting for directors.	4	1

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Sander Robinson $6,000.00

ACTION: It was moved by Gibson, seconded by Walker to adopt the Settlement of Disputed Claim - Compromise and Release; motion passed, 4-0.

3. HEARING OFFICER DECISION:

HALL, Willie E.
Laguna Honda Hospital - 2302 Orderly
ORIDNARY DISABILITY
Effective Date: September 10, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer Decision; motion passed, 4-0.

BEASLEY, Herbert L.
MUNI RR - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: March 12, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer Decision and to request the City Attorney to seek a reconsideration of finding of Fact #5; motion passed, 3-1 (Walker).

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The CALAPRS General Assembly will be held Friday February 27, 1987 at the Oakland Hyatt Hotel. All Board members interested in attending must notify her as soon as possible.

2. She requested the Retirement Board Meeting of February 17, 1987 be cancelled and the items that were to be heard on February 17th be calendared for the morning of February 24, 1987. The Retirement Board decided to begin the meeting of February 24, 1987 at 10:00 A.M.

3. The Retirement Board election will end February 17, 1987. The Administration office will have the results by Wednesday, February 18, 1987.

4. The Cost-of-Living adjustment for Miscellaneous employees will be at 2% increase.

5. The two Police and Fire Cost-of-Living adjustments will be reflected in the February 28, 1987 pension benefits checks.

There being no further business the Board adjourned its meeting at 6:10 PM

Respectfully submitted,

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by

Richard Adams, CSR.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Investment Division

February 4, 1987

TO: Members of the Retirement Board

FROM: DeWitt Bowman
Chief Investment Officer

THROUGH: Clare M. Murphy
General Manager

SUBJECT: Staff Recommendation for the Allocation of Funds for the Period Ending April 30, 1987

The attached figures show the anticipated income to be received over the next quarter from each of the portfolios, the recommended addition or deletion to the portfolios and asset sector, the current proportion of each portfolio to its asset sector and the asset sector to the total portfolio, and the adjusted proportion after accounting for the anticipated income and any recommended additions or deletions. The adjusted proportions for each asset sector can then be compared to the allocations goal adopted by the Board.

In addition to accumulating income in the portfolios where it is earned, our principal recommendations are:

1. Add $5,000,000 to the Equity Index Fund to maintain our domestic equity sector goal.

2. Add $5,000,000 to each of the International equity managers to move the total international equity proportion closer to our six percent goal.

3. Transfer $6,000,000 from the Internal Active fixed income portfolio to partially fund the additions.

4. Add $5,000,000 to each of the International fixed income managers to move the total fixed income proportion closer to our seven percent goal.

We recommend making no substantive changes in the allocations to our external fixed income and equity managers until the comprehensive performance review of these sectors as of March 31 and June 30 respectively. The internal active fixed income portfolio retains ample liquidity to fund interim allocations of real estate or other sectors if desired.

415) 558-5061 Attachment 1155 Market Street San Francisco 94103

SFCCERS

Recommended Asset Allocation for the Quarter Ending April 30, 1987

Funds Analysis

Projected Net Contributions	24,000,000
Projected Income	46,759,567
Total Available for Allocation	70,759,567

Recommended Cash Flow Allocation

Sector	Portfolio	Anticipated Income	Additions (Deletions)	Current Weighting	Adjusted Weighting	Allocation Goal
Domestic Equity	Index	1,398,105	5,000,000	18.5	19.0	
	Internal	944,359		9.4	9.4	
	Loomis	1,028,501		17.1	17.0	
	Alger	815,950		14.7	14.6	
	Springman	1,235,506		15.7	15.6	
	McCullough	425,302		4.3	4.3	
	Hahn	347,003		3.9	3.9	
	Furman	659,091		6.3	6.3	
	Nicholas	106,701		3.5	3.5	
	Hanson	421,307		6.6	6.5	
	Total	7,381,825	5,000,000	30.2%	29.9%	30.0%
International Equity	Cap.Guard	204,406	5,000,000	33.4	33.4	
	Morgan	194,476	5,000,000	34.5	34.4	
	Oechsle	114,755	5,000,000	32.1	32.2	
	Total	513,637	15,000,000	4.2%	4.6%	6.0%
Venture Cap.		0				
	Total	0	0	0	0	5.0%
Domestic Fixed Income	Internal	19,866,047	(6,000,000)	55.5	54.8	
	Private	2,468,070		7.1	7.2	
	Cal.Mort.	2,564,836		7.8	7.8	
	MacKay	2,809,760		8.8	8.9	
	Lehman	2,474,021		6.0	6.0	
	Bankers	1,929,785		6.3	6.4	
	Scudder	3,153,834		8.5	8.9	
	Total	35,266,353	(6,000,000)	57.8	57.4	42.0%
International Fixed Income	First Chi.	1,213,860	5,000,000	50.5	50.5	
	Warburg	1,001,367	5,000,000	49.5	49.5	
	Total	2,215,227	10,000,000	3.9	4.3	7.0%
Real Estate	Coldwell	1,382,525		100.0	100.0	
	Total	1,382,525	0	3.9	3.8	10.0%
TOTAL ALLOCATION		46,759,567	24,000,000	100.0	100.0	100.0%

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT PROCEDURE STANDARDS

1. It shall be the goal of the Board to establish investment standards and procedures to assure that System assets are invested to achieve maximum total portfolio returns over a long-term planning horizon at an appropriate level of risk. Investments may be of a generic or unique character but will be made after analysis of their relationship to other portfolio investments to assure ((of)) sufficient total portfolio liquidity to permit re-allocation of assets within sectors to achieve optimum portfolio returns under changing economic and System conditions and requirements.

2. The Board in exercising its fiduciary responsibility to the System shall take such action as necessary to assure that all assets of the System are invested under the management of skilled and experienced professional investment personnel in accordance with the goals and standards and ((under)) within the restrictions adopted by the Board.

3. The qualifications and performance of the investment staff, investment managers, and consultants employed by the System will be continuously evaluated by the Board and changes in any of these may be made when determined to be appropriate by the Board.

4. ((All)) Individual security or property investment ((proposals)) decisions shall be preceded by: staff evaluation, staff comparison with other available investments of similar characteristics, and staff recommendation. ((received by the Board and staff will be referred to staff and the relevant asset sector manage for evaluation and recommendation in comparison to other available investments of similar characterics.))

5. In following these guidelines, however, the Board retains its ultimate investment responsibilities and reserves the right to consider and act upon specific investment and security proposals when in the Board's judgment is considered necessary or desirable.

Bold face print reflects new wording.

Deletions are shown by double parentheses.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

SF
RSS
2
2/17/87
Cancelled

February 11, 1987

Calendar

TO: All Interested Parties:

FROM: Clare M. Murphy
General Manager

SUBJECT: February 17th Board Meeting.

The meeting previously scheduled for February 17th has been cancelled.

The scheduled meeting of February 24th will begin at 10:00 A.M.

(415) 558-3991 1155 Market Street San Francisco 94103

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 24, 1987 - 10:00 AM

PRESENT:

Peter D. Ashe	President
Paul F. Denning	Vice President
Joseph D. Driscoll	Commissioner
Bonnie K. Gibson	Commissioner
Raymond L. Weisberg, M. D.	Commissioner

ABSENT:

Samuel W. Walker	Commissioner
Nancy Walker	President, Board of Supervisors

Clare M. Murphy
General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, February 10, 1987.

ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

The election of officers for the Retirement Board was carried over to the March 10, 1987, meeting.

REGULAR CALENDAR

ITEM

1. REPORT RE ACTURIAL VALUATION STUDY OF RETIREMENT SYSTEM AS OF JUNE 30, 1986.

   Bill Smith, Consulting Actuary of Milliman & Robertson, presented a written and oral report on the Actuarial Valuation Study of the Retirement System as of June, 30, 1986. The Board reviewed and discussed the report with Mr. Smith and Ms. Murphy, General Manager. The Board also engaged in a question and answer session regarding the implications of the study. No action was taken, information item only.

2. REQUEST FOR ADOPTION OF CITY AND COUNTY RATES OF CONTRIBUTION FOR FISCAL 1987-1988.

   Bill Smith, Consulting Actuary, and Clare Murphy, General Manager, presented a written and oral request for adoption of City and County rates of contribution for fiscal 1987-1988. The Board reviewed and discussed the request.

   ACTION: It was moved by Weisberg, seconded by Gibson to authorize the adoption of City & County rates of contribution for fiscal 1987-1988; motion passed, 4-0. (See attached Rates)

NOTE: Commissioner Driscoll arrived at this time.

3. HEARING OFFICER DECISIONS:

   ALLEN, Charles W.
   REC/PARK - 7328 Operating Engineer
   ORDINARY DISABILITY
   Effective Date: Nov. 4, 1986 GRANTED

   DUMANTAY, Mariano
   MUNI RR - 9163 Transit Operator
   ORDINARY DISABILITY
   Effective Date: January 1, 1987 GRANTED

HERBERT, ERNEST J.
DPW Bld. Repair - 2708 Custodian
ORDINARY DISABILITY
Effective Date: January 1, 1987 GRANTED

JONES, Leonard R.
PH/SFGH - 2324 Nursing Sup.
ORDINARY DISABILITY
Effective Date: January 31, 1987 GRANTED

KALAVERAS, Danny
WAR MEMORIAL - 8202 Security Guard
ORDINARY/STIP
Effective Date: Nov. 1, 1986 GRANTED

SILVEY, John L.
DPW - 1862 Systems and Procedures Analyst
ORDINARY DISABILITY DENIED

ACTION: It was moved by Gibson, seconded by Weisberg to accept the Hearing Officers' Decisions; motion passed, 5-0.

CONSENT CALENDER

The following items were presented under a Consent Calendar:

ITEM

a) REPORT OF THIRD PARTY CASE TRIED OR ARBITRATED:
Gordon Chew $27,144.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Rodrigo Gomez-Díaz $23,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Norma Geer $ 1,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT -COMPROMISE AND RELEASE:
James Newson $ 2,780.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lucy Wadsworth $25,000.00

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Alan S. Jones

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Stathopoulos, Ana

h) REQUEST TO DISMISS APPLICATION FOR CONTINUATION:

Joseph Cueno (Deceased)

i) REQUEST RETROACTIVE AUTHORIZATION FOR ONE STAFF TO TRAVEL TO SACRAMENTO TO ATTEND PERS BOARD MEETING.

ACTION: It was moved by Gibson, seconded by Denning to adopt the Consent Calendar except for item (f) which will be continued to the next regularly scheduled meeting; motion passed, 5-0.

SUPPLEMENTAL CALENDER

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Weisberg to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. Clare Murphy, General Manager, presented a written request for the insertion of notice with the Retirement checks from the Registrar of Voters, Jay Patterson. The Board reviewed and discussed the request.

   ACTION: It was moved by Weisberg, seconded by Denning to approve the request from the Registrar of Voters; motion passed, 5-0.

NOTE: Commissioner Driscoll left the meeting at this time.

INVESTMENT CALENDAR

ITEM

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDING DECEMBER 31, 1986.

   A representative of the Callan Associates, Mr. Russ Bluementhal, presented a written and oral report to the Board on the measurement of the Retirement System's Investment portfolio for the quarter ending December 31, 1986. The Board reviewed and discussed the portfolio with Mr. Bluementhal. No action was taken; information item only.

2. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS:

   Representatives of the following firms, investment managers of the Retirement System's portfolio rendered written and oral reports on the status of the investment performance for the quarter ending December 31, 1986:

   a) Warburg International

   b) Furman Selz Capital Investment Services

   c) Morgan Grenfell Investment Services

   d) Hahn Holland & Grossman

   e) George Sprigman, Inc.

   The Board members and staff exchanged viewpoints and comments on portfolio performance. The firm representatives also discussed current and projected economic conditions. No action taken; information item only.

3. DRAFT REQUEST FOR APPLICATION OF REAL ESTATE CONSULTANTS:

   DeWitt Bowman, Chief Investment Officer, presented a written and oral request for approval of the request for application for real estate consultants. The Board reviewed and discussed the proposed questionnaires.

   ACTION: It was moved by Denning, seconded by Gibson to authorize the questionnaires be sent to real estate consultants; motion passed, 4-0.

4. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer reported that:

A. Proxy Votes:

		FOR	AGAINST
1.	Hercules, Inc. Shareholder proposal: To restore limited preemptive rights to the shareholders.	0	4
2.	Gulf & Western		
	1. Shareholder proposal: To prohibit charitable contribution except in direct furtherance of the business interest of the company.	4	0
	2. To provide for cumulative voting.	3	1

B. He presented the current list of U.S. companies doing business in South Africa.

C. The market value of the Pension Fund on January 31, 1987, was $3.1 billion.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. On February 27, 1987, she was elected Secretary of the Board of Directors of CALAPRS. Betty Lanoue was elected the President. She reminded the Board of the CALAPRS General Assembly Friday, February 27, 1987. Commissioner Gibson will be speaking at that meeting.

2. She discussed with the Board a communication from the NCPERS regarding extending Medicare and Social Security benefits to presently uncovered government employees.

3. The Board Meeting on March 10, 1987, will be at 1:30 p.m. The election of officers will occur at this meeting as well as the results of international investment performance and real estate investment performance.

4. Staff changes have occurred in the Administration Office. The new secretary is Tripta Gupta.

5. The Actuary Assessment Center is scheduled for sometime in mid March. She anticipates a report to Board not later than the first meeting in April.

There being no further business the Board adjourned its meeting at 5:50 PM.

Respectfully submitted,

Clare M. Murphy
General Manager

NOTE: Transcript of this meeting was made by Richard Adams, CSR.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 10, 1987 - 1:30 PM

PRESENT:	Peter D. Ashe	President
	Paul F. Denning	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:	Nancy Walker	President, Board of Supervisors
	Raymond L. Weisberg, M. D.	Commissioner

Clare M. Murphy — General Manager, Retirement System

MINUTES: Minutes of Regular Meeting, February 24, 1987.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

SPECIAL ORDER

Election of officers: President and Vice President.

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President: It was moved by Gibson, seconded by Driscoll to nominate Paul Denning for President; there were no other nominations, Commissioner Denning was elected President for the next 12 month period.

For Vice President: It was moved by Walker, seconded by Gibson to nominate Joseph Driscoll for Vice President; there were no other nominations, Commissioner Driscoll was elected Vice President for the next 12 month period.

CONSENT CALENDER

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 14-86.

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Pedro Fernandez $ 6,500.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Michael Folena $ 2,485.63

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Elijah James $ 1,014.82

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Bharathy Krishnamurthy $ 3,500.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Orase L. McGhee $ 1,244.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT

Francisco Rivero $ 848.95

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT

Michael Stasko $ 45.88

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT

Jackie Winnow $ 441.73

j) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

David Castro

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Olive Nkhereanye

l) REQUEST FOR AUTHORIZATION FOR ONE STAFF AND ONE BOARD MEMBER TO ATTEND THE 1987 INSTITUTIONAL INVESTOR PUBLIC FUNDS SEMINAR, July 15-17, 1987, IN BOCA RATON, FLORIDA.

ACTION: It was moved by Gibson, seconded by Walker to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE
(Requires Ballot Vote)

Ronald D. Hansen

ACTION: By a ballot vote of 5-0, the Board approved the adjustment of Ronald D. Hansen's retirement allowance to 50% from 52% effective February 6, 1987.

2. HEARING OFFICER DECISIONS:

FLANNIGAN, Johnnie
POLICE - Q2 Police Officer
DETERMINATION DENIED

GAMBARDELLA, Andrew A.
POLICE - 8213 Police Services Aide
ORDINARY DISABILITY
Effective Date: March 29, 1987 GRANTED

HERNANDEZ, Erlinda
AIRPORT - 1652 Sr. Accountant
ORDINARY DISABILITY
Effective Date: Nov. 1, 1986 GRANTED

MURRAY, James J.
FIRE - H2 Firefighter
INDUSTRIAL/STIPULATION DENIED

ROUALDES, William
POLICE - Q2 Police Officer
DETERMINATION GRANTED

SCHNATMEYER, Charles H.
DPW-WATER POL. CONTROL - 7372 Sr. Sta. Engineer
ORDINARY DISABILITY
Effective Date: January 1, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Ashe to accept the Hearing Officer decisions; motion passed, 5-0.

INVESTMENTS CALENDAR

The following items were presented under the Investments Calendar:

ITEM

1. REVIEW OF THE ACTIVITIES AND PERFORMANCE OF COLDWELL BANKER FUNDS III, IV, V, VI, VIII FOR THE QUARTER ENDED DECEMBER 31, 1986.

   Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral review of the Activities and Performance of Coldwell Banker Funds III, IV, V, VI, VIII for the quarter ended December 31, 1986. The Board reviewed and discussed the report with staff. No action was taken; information item only.

2. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED DECEMBER 31, 1986.

   Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report on the Performance of the External International Equity Managers for the quarter ended December 31, 1986. The Board engaged in a question and answer session with Ms. Hamilton and staff. No action was taken; information item only.

3. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED DECEMBER 31, 1986.

   Mark Coleman, Security Analyst, presented a written and oral report on the Performance of the External International Fixed Income Managers for the quarter ended December 31, 1986. The Board reviewed and discussed the report with Mr. Coleman and staff. No action was taken; information item only.

4. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer reported that:

A. Proxy Votes:

		FOR	AGAINST
1.	American Telephone & Telegraph Shareholder proposal: 1. Require cumulative voting for directors.	5	0
	2. Require the Company to report on current value of outstanding contracts to develop space weapons. How much corporate money is spent on space weaponary research, whether the Company plans to process materials in space, and what Company policies exist on the commercial and battlefield development of space.	1	4
	3. To require the Company to convince Olivetti to divest its South African operations.	2	3
2.	The Travelers Corp. Shareholder proposal: To require the Company to publish political contributions made in the past year.	2	3
3.	Bank of Boston Corp. Shareholder proposal: To prohibit any director from serving for a period of longer than 6 years.	1	4
4.	Weyerhauser Co. Shareholder proposal: Rescind to substitute a two-thirds majority for 80% for certain business transaction.	4	1
5.	Pacific Gas & Electric Co. Shareholder proposal: To adopt a "fair price" amendment.	4	1

B. He presented a memorandum and letter from Bankers Trust regarding the international securities lending program.

C. He presented the current list of U.S. companies doing business in South Africa.

D. He presented a list of organizations that the Investments Division met with during the month of February.

E. He discussed the progress with respect to selection of a Real Estate Consultant. Questionnaires have been sent to 15 candidates with a requested return of March 20, 1987. He anticipates result and recommendations to be prepared for the March 31 Board meeting.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The PERS valuation study on the Adult Probation and Juvenile Probation Officers had been returned. The costs to transfer these classes to PERS would be 5% in excess of the current rate and thus they will not transfer to PERS.

2. The budget review by the Mayor for all departments will be taking place withing the next two weeks. We will notify the Board members if they with to attend when we have scheduled date.

3. At the Monday morning Mayor's meeting, the Mayor raised the issue of the Retirement Funds Custodial Bank. The Board discussed this with the General Manager, and she and the Investments Division staff will prepare the necessary response to the Mayor's questions.

4. The 730 Form actual statements of economic transactions must be returned by April 15, and she suggested that Board members bring their statements to the March 31 meeting.

There being no further business, the Board adjourned at 4:50 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by

Court Reporter: Dawn McNamee.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 31, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 10, 1987.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

Note: The Calendar items were taken out of sequence to allow for timely presentations by Retirement System contractors.

Regular Calendar

ITEM

1. EXECUTIVE SESSION - PERSONNEL ISSUE.

The Board met in Executive Session to discuss a personnel issue. The Board discussed with Mr. Dennis Joiner and Ms. Jackie Pun the selection process for the position of Retirement System Actuary.

The Retirement Board returned to Open Session and announced; they would begin the meeting of April 28, 1987, at 11:00 a.m. in a further Executive Session to interview the following three candidates for the position of Actuary:

Kiernan Murphy
Kosrof Chantikian
Harlan W. Richardson

Note: Dr. Weisberg arrived during the Executive Session.

2. PRESENTATION ON THE DISABILITY RETIREMENT AND WORKERS COMPENSATION PROGRAMS.

Ben Flores, Pam Levesque, Ed Johnson and Dan Maguire rendered a written and oral presentation on the Disability Retirement and Workers Compensation Programs. The Board reviewed and discussed the report and engaged in a question and answer session with the staff. No action was taken; information item only.

Note: Dr. Weisberg left the meeting at this time.

3. COST OF LIVING ADJUSTMENT FOR CHARTER SECTION 8.526 TO BE EFFECTIVE 7-1-87.

Clare Murphy, General Manager, presented a written and oral request for the Cost of Living Adjustment for Charter Section 8.526 to be effective 7-1-87. The Board reviewed and discussed the request with Ms. Murphy.

ACTION: It was moved by Walker, seconded by Driscoll to approve the Cost of Living Adjustment for Charter Section 8.526 to be effective 7-1087; motion passed, 5-0.

4. HEARING OFFICER DECISIONS:

BALMY, Anatole
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY — DENIED

DEE, Lynwood
FIRE - H30 Captain
DETERMINATION — DENIED

DEL CARLO, Alfred (Ann)
D.A. - Asst. District Attorney
CONTINUATION — DENIED

GILLIKIN, William E.
FIRE - H120 Fireboat Pilot
INDUSTRIAL/STIPULATION - (DENIED)
ORDINARY DISABILITY — GRANTED
Effective Date: Dec. 1, 1985

O'BRIEN, James E.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY — DENIED

ORTIZ, Stephen J.
POLICE - Q2 Police Officer
DETERMINATION — DENIED

SEMENOFF, Nicholas A.
SFUSD - Teacher
ORDINARY DISABILITY
Effective Date: March 5, 1987 — GRANTED

SHEA, Kevin M.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY — DENIED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer Decisions; motion passed, 5-0.

CONSENT CALENDAR

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 15-86

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Charles Armstrong $ 1,500.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jean Caramatti $ 1,200.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Carl English $ 2,021.90

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jerry Ford $ 15,085.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Margaret Gordon $ 2,324.64

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Ellen J. Hunter $ 408.43

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Thomas Jackson $ 1,522.58

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Ishida Kikuko $ 4,787.75

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Daniel Knight $ 1,148.67

k) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Randolph Lee $ 2,750.00

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Nancy La Rocca $ 1,250.00

m) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Marion R. Maginniss $ 1,582.08

n) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Henry Marshall $ 1,978.00

o) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Levell McClain $ 2,972.73

p) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Kimberly Mitchell $ 783.35

q) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Thomas M. Mullen $ 401.38

r) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Debra Sheppard $ 7,166.00

s) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Martin Solon $ 708.47

t) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Richard P. Wallett $ 1,583.55

u) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jacqueline Wilcots $ 987.35

v) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Clady M. Wright $ 1,176.75

w) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Arthur Collins

x) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Anita F. Escandor

y) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
James Wimberly

z) REQUEST FOR AUTHORIZATION FOR ONE STAFF AND ONE BOARD MEMBER TO ATTEND THE CONFERENCE ON PENSION AND TRUST FIDUCIARIES - RISKS AND DUTIES AS CORPORATE SHAREHOLDERS, MAY 1, 1987, IN BOSTON, MASSACHUSETTS.

ACTION: It was moved by Ashe, seconded by Walker to allow Commissioner Gibson to abstain from voting on Item e of Consent Calendar; motion passed, 5-0.

ACTION: It was moved by Walker, seconded by Gibson to adopt the Consent Calendar except for Item e; motion passed, 5-0.

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Jerry Ford $ 15,085.00

ACTION: It was moved by Ashe, seconded by Driscoll to accept the Settlement of Disputed Claim of Jerry Ford; motion passed, 4-0. (Gibson abstained)

INVESTMENTS CALENDAR

ITEM

1. PROXY VOTES:

   The Board voted on numerous Proxy Issues. The results are attached at the end of this Calendar.

2. REPORT ON REAL ESTATE CONSULTANT SEARCH:

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the search for a Real Estate Consultant. The Board discussed the pending interviews of potential candidates and decided to have an extra Retirement Board meeting on May 5, 1987, at 1:30 p.m. The final decision on the hiring of a Real Estate Consultant for the Retirement System will be made at the May 12, 1987, Retirement Board meeting. No action was taken; information item only.

3 CHIEF INVESTMENT OFFICER'S REPORT:

   The Chief Investment Officer did not have a report for this meeting.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. Commissioners Driscoll and Gibson attended the Retirement System Budget hearing with the Mayor. The Pre-Retirement Counseling program was cut from the budget. The Retirement System received other minor cuts, however, the majority of the submitted budget was approved.

2. The Board of Supervisors Finance Committee met on March 25, 1987, and approved a $4.3 million Supplemental Appropriation for the Workers Compensation Division of which $1 million will be held in reserve.

3. The Statement of Economic Interests, Form 730, is due to the Administrative Office by April 15. All Board members should bring their forms to the April 14, 1987, meeting.

4. The Custodial Bank issue will be discussed at the April 14, 1987, Board meeting. DeWitt Bowman, Chief Investment Officer, and the General Manager are preparing a report which will be made to the Board at that time.

5. PERS has notified all contracting agencies that there will be a 0% increase in employer contribution requested. They anticipate this will continue for a period of two years. The Board discussed the implications of this announcement with the General Manager and staff.

There being no further business, the Board adjourned at 5:40 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

1. PROXY VOTES:

		FOR	AGAINST
1.	Duquesne Light Co.		
	Company-sponsored proposals:		
	1. Fair Price Amendment	3	2
	2. A three year, three class classified Board	0	4
	3. Pre-emptive rights	0	4
2.	HCA Corp.		
	Shareholder proposal:		
	1. Request the Company to redeem or submit for approval the common stock purchase rights which were unilaterally granted by the Board on 2/14/86. (Poison Pill)	5	0
3.	Ameritech		
	Shareholder proposal:		
	1. Require that annual meeting be held the first Monday in June.	0	5
	2. Require Directors to be elected annually.	5	0
4.	B. F. Goodrich		
	Shareholder proposal:		
	1. Elect directors on a cumulative basis.	5	0
5.	General Electric Co.		
	Shareholder proposals:		
	1. To publish annually in the newspapers of major cities a list of all political contributions.	1	4
	2. NBC, a subsidiary of G.E., should establish a position of viewers advocate.	1	4
	3. The Company should be forbidden from conducting business at private clubs with discriminatory membership practices and paying fees and expenses for such clubs.	5	0

		For	AGAINST
4.	The Company should be required to assist utilities in retiring all boiling water nuclear reactors.	1	4
5.	The Company would not enter into any new star wars contracts.	0	5
6.	The Company should establish a committee to study the moral, social, and economic advisability of continuing to manufacture certain machine guns.	0	5
7.	In the event of any merger, consolidation or purchase of the Company, the shareholders of the acquired company be offered the option of exchanging their shares for G.E. or cash.	1	4
6.	Amoco Shareholder proposal: Require that all Proxy Cards and ballots be kept confidential.	0	5
7.	Southern California Edison Shareholder proposal: Fair Price Amendment.	5	0
8.	GTE Corp. Shareholder proposal: Require pre-emptive rights.	4	1
9.	Coca-Cola Co. Company proposal: A preferred stock issuance without pre-emptive rights.	1	4
10.	Commonwelth Edison Co. Shareholder proposal: Require the dollar value of all fines and penalties paid by the Company to appear in all quarterly and annual reports.	1	4
11.	Pacific Telesis Shareholder proposal: Require pre-emptive rights.	4	1

		FOR	AGAINST
12.	J.P. Morgan Shareholder proposals:		
	1. Proposal with regards to foreign loans where human rights are guaranteed and not guaranteed.	1	4
	2. Establish employee political solicitation practices.	1	4
	3. New affirmative action reporting policy.	2	3
13.	Martin Marietta Corp. Shareholder proposals:		
	1. Reinstate the annual election.	4	1
	2. Reporting requirements including health and safety at certain nuclear facilities.	0	5
14.	Eaton Corp. Shareholder proposal: Poison Pill Amendment.	4	1
15.	PPG Industries Company-sponsored proposals:		
	1. Adopt a classified Board	0	5
	2. Adopt a Fair Price Amendment.	5	0
16.	Bristol Myers Shareholder proposals:		
	1. Elect all directors annually.	4	1
	2. Require the Company to terminate all operations in South Africa.	2	3
17.	Kenner Parker Toys Company-sponsored proposals:		
	1. Increase common shares from 40 million to 125 million without pre-emptive rights.	0	5

		FOR	AGAINST
	2. Permit directors to authorize or waive the 80% stockholder vote requirement under the Fair Price provision.	0	5
18.	The Boeing Co. Shareholder proposal: Require the Company to issue a report on the extent to which Boeing sub-contractors adhere to Boeing's policy of non-discrimination.	0	5
19.	United Technologies Shareholder proposals:		
	1. Directors limited to terms of no more than 6 years.	1	4
	2. Company would be required to rescind a Poison Pill amendment adopted without a shareholder vote.	4	1
	3. The Company should be required to implement MacBride Principles in Northern Ireland.	1	4
	4. The Company should be required to withdraw operations from South africa.	2	3
20.	American Electric Power Shareholder proposal: Require the Company to report on power plant emissions.	0	5
21.	FPL Group Shareholder proposal: Cumulative voting:	5	0
22.	TRW Shareholder proposal: To implement the MacBride Principles.	1	4

		FOR	AGAINST
23.	Monsanto Co.		
	Shareholder proposals:		
	1. Rescind a Poison Pill Amendment.	4	1
	2. Withdraw operations from South Africa.	3	2
	3. Terminate sales to the Electric Supply System of South Africa.	1	4
24.	Dow Jones & Co.		
	Shareholder proposal. Elect directors annually.	3	1
25.	International Paper Co.		
	Shareholder proposal: Rescind a Poison Pill Amendment.	3	1
26.	Dominion Resources		
	Shareholder proposals:		
	1. Issue 20 million shares of preferred stock without pre-emptive rights.	0	4
	2. Establish classified Board.	0	4
27.	Nicor Inc.		
	Shareholder proposal: Fair Price Amendment.	5	0
28.	South Cal. Edison		
	Shareholder proposal: Fair Price Amendment.	5	0

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 14, 1987 - 1:30 PM

PRESENT:	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Paul F. Denning	President
	Bonnie K. Gibson	Commissioner
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 31, 1987.

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

Minutes of Regular Meeting March 31, 1987, approved as submitted.

CONSENT CALENDAR

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 16-86.

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Wilbur Bacy $ 77.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Sharon Chinn $15,999.77

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Artimeze T. McCluster $ 5,500.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Robert Taylor $ 2,530.31

f) APPLICATION FOR BIRTHDATE CORRECTION:
Esther Cruz

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
John S. Abney $12,692.49

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
John Hauff $ 6,000.00

i) REQUEST FOR AUTHORIZATION FOR ONE BOARD MEMBER TO ATTEND THE GLOBAL PENSION FUND FORUM, MAY 10-12, 1987, IN LONDON, ENGLAND.

ACTION: It was moved by Weisberg, seconded by Walker to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. PROXY VOTES ON VARIOUS HARTFORD INSURANCE GROUP FUNDS.

   ACTION: The Board voted on numerous Hartford Insurance Group Funds Proxy Issues. The results are attached at the end of the Minutes.

2. HEARING OFFICER DECISIONS:

   ARNOLD, Thomas A.
   POLICE - 0380 Inspector
   ORDINARY DISABILITY - (DENIED)
   INDUSTRIAL/STIPULATION — GRANTED
   Effective Date: Jan. 20, 1987

   BRAUNSCHWEIG, Walter C.
   POLICE - Q60 Lieutenant
   INDUSTRIAL/STIPULATION — GRANTED
   Effective Date: July 3, 1986

   BURNSIDE, Bertha
   DSS - 2994 Homemaker
   ORDINARY DISABILITY — GRANTED
   Effective Date: Sept. 1, 1986

   CHATHAM, Richard L.
   HETCH HETCHY - 7364 Power House Operator
   ORDINARY DISABILITY — GRANTED
   Effective Date: Jan. 22, 1987

   FARBER, Jeffery J.
   FIRE - H2 Firefighter
   INDUSTRIAL DISABILITY — GRANTED
   Effective Date: April 1, 1986

   FORD, Croela
   SFUSD - 2672 Asst Housemother
   ORDINARY DISABILITY — DENIED

   REED, Myrtis
   DSS - 2994 Homemaker
   ORDINARY DISABILITY — GRANTED
   Effective Date: Jan. 1, 1987

   SILAS, James C.
   MUNI - 9163 Transit Operator
   ORDINARY DISABILITY — GRANTED
   Effective Date: Feb. 1, 1987

THOMAS, Berdine Jr.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY GRANTED
Effective Date: Nov. 1, 1986

THORSEN, Timothy J.
POLICE - Q60 Lieutenant
INDUSTRIAL DISABILITY DENIED

ACTION: It was moved by Weisberg, seconded by Walker to accept the Hearing Officer Decision except for the Decision on Jeffery L. Farber; motion passed, 4-0.

NOTE: The Board will hear the Farber decision as a separate item at the April 28, 1987, Board meeting.

INVESTMENTS CALENDAR

ITEM

1. PROXY VOTES.

The Board voted on numerous Proxy Issues. The results are attached at the end of this Minutes.

2. LOCAL CUSTODIAN QUALIFICATION SURVEY.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on a proposed review of Master Trust Custodial services that are provided by San Francisco and California Institutions. The Board reviewed and discussed the questionnaire with Mr. Bowman. The Board directed Mr. Bowman to conduct an updated review of the programs offered by Master Trust Custodial services particularly from San Francisco and California institutions.

3. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowman, Chief Investment Officer, presented the Board the following reports:

A current list of U.S. Companies doing business in South Africa.

An update of information on the sale of securities of companies doing business in South Africa and the South African related securities still held as of March 31, 1987.

A study of the evaluation of the subsequent market performance of the equities sold to meet the South African investment restrictions through March 31, 1987.

BOARD MEMBERS

Commissioner Peter Ashe presented a communication he received from the Council of Institutional Investors.

Commissioner Peter Ashe gave a letter to the General Manager. The letter was from Institutional Invester extending an invitation to the Commissioner to attend a conference in Boca Raton, Florida, in July. Item is to be calendared for the April 28, 1987, meeting.

Commissioner Samuel Walker reported that the Pension Fund and Real Estate Conference in Los Angeles was very educational and informative.

There being no further business, the Board adjourned at 4:15 P.M.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

RESULTS OF PROXY VOTES ON VARIOUS HARTFORD INSURANCE GROUP FUNDS:

HVA Aggressive Growth Fund Inc.
HVA Stock Fund Inc.
HVA Advisors Fund Inc.
HVA Fixed Income Func Inc.
HVA GNMA Fund Inc.

		FOR	AGAINST
1.	Seven nominees recommended for election as directors.	3	1
2.	Arthur Anderson & Co. recommended as Auditor.	4	0
3.	Amendment of investment restrictions.	4	0

HVA Money Market Fund

1.	Seven nominees recommended for election as directors.	3	1
2.	Arthur Anderson & Co. recommended as the Auditor.	4	0

HVA Government Securities Fund Inc.

1.	Seven nominees recommended for election as directors.	4	0
2.	Arthur Anderson & Co. recommended as the Auditor.	4	0
3.	Change name of the fund to: "Hartford U.S. Government Money Market Fund, Inc."	4	0

April 14, 1987

1. PROXY VOTES:

		FOR	AGAINST
1.	American Express Co.		
	Shareholder proposal:		
	1. Require the company to restore pre-emptive rights.	4	0
	2. Prohibit the company from engaging in partisan political activities through the employees.	2	2
2.	Exxon Corp.		
	Shareholder proposal:		
	1. Require the Company to make charitable contributions only in direct furtherance of company's business.	0	4
	2. Restrict stock option programs only to executives in limited amounts, who did not sell previous shares and are not within 18 months of retirement.	0	4
	3. Prohibit company from making further investments in Chile until full democratic rights are restored.	0	4
3.	W.W. Grainger, Inc.		
	Company-sponsored proposal: Restatement of articles of incorporation to have an anti-takeover effect.	0	4
4.	Chemical New York Corp.		
	Shareholder proposal:		
	1. Require the company to report on any employee at rank of Vice President or above who may have served in any govt. capacity in the previous five years.	0	4
	2. Adopt cumulative voting for directors.	4	0
	3. Require the company to reschedule, capitalize, & forgive third world debt in countries where human rights are not guaranteed.	0	4

		FOR	AGAINST
5.	American Can Co. Shareholder proposal: Restrict current stock option compensation programs.	0	4
6.	Union Camp Shareholder proposal: Require the company to divest all South Africa operations.	3	1
7.	Motorola Inc. Shareholder proposal: Require the company to formulate social, economic, & ethical criteria for military related contracts.	0	4
8.	Amerada Hess Shareholder proposal: Divide the company into three independent entities.	0	4
9.	VF Corp. Shareholder proposal: Require the company to report on company's employment practices in Northern Ireland.	1	3
10.	Ball Corp. Shareholder proposal: Require the company to implement McBride Principles.	1	3
11.	IC Industries Shareholder proposal: Restrict term of outside directors to no more than six years.	0	4

		FOR	AGAINST
12.	Manufacturers Hanover Corp.		
	Shareholder proposals:		
	1. Limit terms of outside directors to six years.	0	4
	2. Require a secret ballot for shareholder votes.	0	4
	3. Require the company to make no new loans, limit involuntary debt restructuring, and hold no accounts with any South African entity.	1	3
13.	Potlatch Corp.		
	Shareholder proposal:		
	Restore one vote for one share to all common shareholders.	4	0
14.	Knight Ridder Inc.		
	Shareholder proposal:		
	Require cumulative voting for directors.	4	0
15.	Merck & Co. Inc.		
	Shareholder proposals:		
	1. Require the company to divest all South African activities if apartheid is not ended by May 1987.	3	1
	2. Reinstate an annual election for directors.	4	0
16.	Bell Atlantic		
	Shareholder proposal:		
	Require the company to adopt a set of specific prohibitions of soliciting or collecting political contributions from employees.	2	2
17.	Pitney Bowes, Inc.		
	Shareholder proposal:		
	Rescind "poison pill "plan adopted February 10, 1986.	4	0
18.	Honeywell Inc.		
	Shareholder proposal:		
	Require the company to submit "poison pill" rights plan to shareholders for a vote.	4	0

		FOR	AGAINST
19.	Southern Pacific Corp.		
	Shareholder proposals:		
	1. Require the company to redeem "poison pill" rights.	4	0
	2. Require that shareholder voting be conducted under secret ballot.	0	4
20.	Anheuser-Busch Companies		
	Shareholder proposal: Require the company to redeem or submit to a shareholder vote "poison pill" rights.	4	0
21.	Nynex Corp.		
	Company proposals:		
	1. Establish a classified Board.	0	4
	2. Adopt a "fair price" provision.	4	0
22.	Merrill, Lynch & Co		
	Shareholder proposals:		
	1. Adopt cumulative voting	4	0
	2. Prohibit issuance of common stock with more than one vote per share.	4	0
	3. Prohibit "golden parachutes".	4	0
23.	Union Pacific Corp.		
	Shareholder proposal: Require the company to issue report describing details of transport of nuclear materials.	1	3
24.	IBM		
	Shareholder proposals:		
	1. Require the company to issue a report of senior employees who have held governmental position in previous five years.	0	4
	2. Require the company to terminate all sales of computers, etc. to South Africa.	3	1

		FOR	AGAINST
	3. Require the company to donate $200,000 to John Hopkins Center.	0	4
	4. Prohibit the company from issuance of common stock with more than one vote per share.	0	4
25.	Inco Shareholder proposal: Require that two directors be residents of Sudbury, Canada, and three directors be women.	0	4
26.	Bankers Trust Co. Shareholder proposals: 1. To publish annually in the newspapers of major cities a list of all political contributions.	1	3
	2. Adopt cumulative voting for directors.	4	0
	3. Reschedule and write off debt to Third World countries.	0	4
27.	Pennzoil Company-sponsored proposal: Limit directors & officer liability under Delaware law; eliminate pre-emptive rights; remove accumulated surplus restrictions on payment of common dividends.	0	4
28.	Public Service Enterprise Group Company-sponsored proposals: 1. Authorize 50,000,000 shares of preferred stock.	0	4
	2. Institute a "fair price" provision.	0	4

		FOR	AGAINST
29.	Texas Utilities Shareholder proposal: Require the company to issue an independent review of the Comanche Peak nuclear power plant.	0	4
30	Time Inc. Shareholder proposal: Require reinstatement of annual election of directors.	4	0
31.	General Dynamics Corp. Shareholder proposal: Rotate the site of the annual meeting.	0	4
32.	AMR Inc. Shareholder proposal:		
	1. Rotate site of the annual meeting.	0	4
	2. Rescind or resubmit to shareholders "poison pill" rights amendment.	4	0
	3. Adopt cumulative voting for directors.	4	0
	4. Require the company to issue report on non-biased compensation system.	3	1
33.	Kroger Corp. Shareholder proposal: Rescind or resubmit to shareholders "poison pill" rights amendment.	4	0
34.	Ogden Corp. Shareholder proposal: Place restrictions on terms and occasions when employee stock options could be granted.	0	4
35.	Prime Corp. Shareholder proposal: Adopt a "fair price" amendment.	4	0
36.	Sun Company Inc. Shareholder proposal: Require the company to list all charitable contributions.	0	4

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 28, 1987 - 11:00 AM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Nancy Walker	President, Board of Supervisors
ABSENT:	Samuel W. Walker	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 14, 1987.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

EXECUTIVE SESSION

The Board met in Executive Session to interview the three final candidates for the position of the Actuary for the Retirement System.

The Retirement Board returned to Open Session and announced that the Board has decided to appoint Mr. Kieran Murphy as the Retirement System Actuary.

Note: Commissioner Nancy Walker arrived at this time.

CONSENT CALENDAR

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 17-86.

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT AND COMPROMISE AND RELEASE:

Charles K. Johnson	$ 14,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Fiola Palacio	$ 4,400.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

James M. Petrie	$ 9,129.33

e) APPLICATION FOR BIRTHDATE CORRECTION:

Bridget L. Molloy

f) REQUEST FOR AUTHORIZATION FOR ONE BOARD MEMBER TO ATTEND THE 1987 INSTITUTIONAL INVESTOR PUBLIC FUNDS SEMINAR, JULY 15-17, 1987, IN BOCA RATON, FLORIDA.

g) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE U.C. BERKELEY 10TH ANNUAL REAL ESTATE AND ECONOMICS SYMPOSIUM, MAY 29, 1987, IN SAN FRANCISCO.

ACTION: It was moved by Weisberg, seconded by Gibson to adopt the Consent Calendar; motion passed 6-0.

REGULAR CALENDAR

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE:
(Requires Ballot Vote)

Richard J. Russo

ACTION: By a ballot vote of 6-0, the Board approved the adjustment of Richard J. Russo's retirement allowance to 63% from 50% effective May 18, 1985.

2. HEARING OFFICER DECISION:

HARDY, Blain F.
FIRE - H110 Marine Engineer
INDUSTRIAL/STIPULATION DENIED

ACTION: It was moved by Weisberg, seconded by Gibson to accept the Hearing Officer decision; motion passed, 6-0.

3. HEARING OFFICER DECISION:

FARBER, Jeffery J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: April 1, 1986 GRANTED

ACTION: It was moved by Weisberg, seconded by Gibson to set up the Jeffery Farber case for a rehearing; motion passed, 6-0.

Note: Commissioner Nancy Walker left meeting at this time.

4. DISCUSSION OF CHARTER SECTION 8.518 AND THE RETIREMENT BOARD'S ROLE REGARDING REHEARINGS.

Dan Maguire, Deputy City Attorney, presented the Board a written and oral presentation on Charter Section 8.518. The Board discussed and reviewed the matter with the staff. No action was taken; information item only.

Supplemental Calendar

Section 54954.2bl of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Driscoll to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Beverly Royal

   ACTION: It was moved by Weisberg, seconded by Driscoll to approve the request to withdraw funds from the Deferred Compensation Plan; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING MARCH 31, 1987.

   Herb Meiberger, Security Analyst, presented a written and oral review of the Performance of Internal and External Fixed Income Managers for the period ending March 31, 1987. The Board reviewed and discussed the report with staff. No action was taken; information item only.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDING MARCH 31, 1987.

   Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report on the Performance of the Internal and External Equity Managers for the period ending March 31, 1987. The Board engaged in a question and answer session with staff. No action was taken; information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT:

   A. PROXY VOTES:

   The Board voted on numerous Proxy Issues. The results are attached at the end of the Minutes.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. She or a member of the Investment Division staff will second the STRS motion regarding the recession of a Poison Pill Amendment for Potlach Corp. This will take place Friday at the Annual Meeting in San Francisco.

2. Ted Bradford & Z. Marzec have invited the Board Members to a dinner on May 7, 1987, at 7:30 at the Scotts Restaurant in Oakland. She asked the Board to let her know by Friday, May 1, 1987, who will attend the dinner.

3. The Final Mayor's budget will be ready for publication by Friday.

4. Metropolitan Life Insurance Company is extending an invitation to all Board members to attend the U.S. Open in June..

BOARD MEMBERS

Paul Denning, President, asked staff to send thank you letters to the candidates for Retirement System Actuary.

Commissioner Denning also suggested cards be printed for the Commissioners of the Retirement Board.

Paul Denning reported on the Annual Meeting of the Council of Institutional Investors.

There being no further business, the Board adjourned at 5:35 P.M.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee.

1. PROXY VOTES:

		FOR	AGAINST
1.	Longs Drug Stores Inc. Shareholder proposal: The company would amend Articles of Incorporation to reduce stockholder vote necessary for approval of future amendments.	0	5
2.	Beverly Enterprises Shareholder proposal: The company proposes to change its state of incorporation from California to Delaware.	0	5
3.	Savannah Electric & Power Co. Shareholder proposal: The company proposes to re-incorporate as a holding company, "Savannah Energy Resources Co.	5	0
4.	MCA Inc. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
5.	Santa Anita Op. Co. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
6.	Liz Clairborne Inc. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
7.	Lin Broadcasting Corp. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
8.	Consolidated Natural Gas Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0

		FOR	AGAINST
9.	NWA Inc. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
10.	H.F. Ahmanson & Co. Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
11.	Becton Dickinson Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
12	Cray Research Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
13.	Pittston Shareholder proposal: Liability limitation and provision for indemnification of directors and officers.	5	0
14.	Champion International Shareholder proposal: Terminate "poison pill" rights.	4	1
15	Louisiana Land Shareholder proposal: Terminate "poison pill" rights.	4	1
16.	Marriott Corp. Shareholder proposal: Require annual election of the directors.	4	1
17.	Lincoln National Corp. Shareholder proposal: Amend the Articles of Incorporation to provide that the company cannot be "sold, leased, exchanged" without 75% shareholder approval.	5	0

		FOR	AGAINST
18.	Coleman Co. Shareholder proposal: The company requests a change in Articles of Incorporation for more flexibility to change size of the board.	4	0
19.	Chrysler Corp. Shareholder proposal: Cumulative voting in election of directors.	4	1
20.	McDonald's Corp. Shareholder proposals:		
	1. Amend Articles of Incorporation to limit liability of directors.	5	0
	2. Rescind "poison pill" rights.	5	0
21.	General Motors Shareholder proposals:		
	1. Amend Articles of Incorporation to limit liability of directors.	4	1
	2. Prevent "Greenmail" being paid.	0	5
	3. Require the company to restore preferential subscription rights.	4	1
	4. Require the company to withdraw immediately from South Africa.	1	4
	5. Require the company to terminate all sales in South Africa.	0	5
	6. Require the company to submit changes in By-laws to shareholders.	0	5

		FOR	AGAINST
	7. Require the company to review its Northern Ireland operations.	2	3
	8. Require the company to have no dealings with communist countries.	0	5
22.	J.C. Penney		
	Shareholder proposals:		
	1. Limit liability of directors and authorize indemnification of directors.	5	0
	2. Provide for cumulative voting.	5	0
	3. Rescind "poison pill" rights.	4	1
23.	U.S. Life		
	Shareholder proposal:		
	Rescind "poison pill" rights	5	0
24.	Federated Dept. Stores		
	Shareholder proposals:		
	1. Require the company to adopt cumulative voting.	5	0
	2. Require the company to elect directors on an annual basis.	4	1
	3. Rescind "poison pill" rights.	4	1
25.	CBS Inc.		
	Shareholder proposals:		
	1. Limit term of outside directors to six years.	0	5
	2. "Greenmail" should no longer be allowed.	4	1
26.	Occidental Petroleum Co.		
	Shareholder proposals:		
	1. Set an age of 72 years as mandatory retirement age for the Board.	0	5
	2. Prohibit issuance of common stock with more than one vote per share.	4	1

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 5, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Samuel W. Walker	Commissioner

ABSENT:	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

Special Meeting

Tuesday, May 5, 1987

The Retirement Board conducted interviews of potential Real Estate Consultants for the Retirement System Trust Fund.

Representatives of the following firms rendered written and oral presentations.

Pension Realty Advisors
Institutional Property Consultants
Wilshire Associates
Roulac Consulting Group
Ronald A. Karp Associates

The Board and Staff engaged in a question and answer session with the firms' representatives.

No action was taken on these presentations.

There being no further business, the Board adjourned at 6:35 PM.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: The meeting was tape recorded.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 12, 1987 - 1:30 PM

PRESENT:	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meetings April 28, 1987, and May 5, 1987.

ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

Note: The Calendar items were taken out of sequence to allow for timely presentation by the First Chicago Int. Advisors.

INVESTMENTS CALENDAR

ITEM

6. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS:

First Chicago Int. managers made a written and oral presentation to the Board. The Board and staff engaged in a question and answer session with the managers. No action was taken.

Note: Commissioner Walker arrived at this time.

CONSENT CALENDAR

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 18-86.

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Janie DeVore	$ 7,500.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Violet Dotson	$ 1,500.00

d) RECOMMENDATION FOR SETTLEMENT OF THIRD PARTY CASE:

Alex Fagan	$ 5,000.00

e) SETTLEMENT OF DISPUTED CLAIM:

Warren Fletcher	$10,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

William Harber	$ 2,415.00

g) RECOMMENDATION OF SETTLEMENT OF THIRD PARTY CASE:

Timothy J. Kearns	$ 954.40

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Daniel Knox	$16,000.00

i) RECOMMENDATION FOR SETTLEMENT OF THIRD PARTY CASE:

Paul A. Kotta	$ 5,000 00

j) RECOMMENDATION FOR SETTLEMENT OF THIRD PARTY CASE:

William Malone $ 2,145.21

k) RECOMMENDATION FOR SETTLEMENT OF THIRD PARTY CASE:

Edward G. Ralls $ 1,391.46

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Lee D. Wheeler $12,500.00

m) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Anthony Piazza

ACTION: It was moved by Ashe, seconded by Weisberg to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. HEARING OFFICER DECISIONS:

COBB, Willie L.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: March 25, 1987 GRANTED

COOLEY, Charlie J.
MUNI - 9139 Transit Inspector
ORDINARY DISABILITY
Effective Date: Jan. 31, 1987 GRANTED

FOWLER, Carwell, Jr.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: April 1, 1986 GRANTED

GOSSMAN, Paul D.
POLICE - Q50/380 Police Inspector
DETERMINATION DENIED

HILL, Thomas G. Jr.
DPW - 7215 Genl. Labor Supvr.
ORDINARY DISABILITY/STIPULATION GRANTED
Effective Date: Sept. 16, 1986

RICHARDSON, Stanton E.
DSS - 2903 Eligibility Worker
ORDINARY DISABILITY GRANTED
Effective Date: Sept. 1, 1986

SONODA, Allan S.
POLICE - 0380 Police Inspector
INDUSTRIAL/STIPULATION GRANTED
Effective Date: Feb. 24, 1987

ACTION: It was moved by Ashe, seconded by Weisberg to accept the Hearing Officer decisions; motion passed, 4-0.

INVESTMENTS CALENDAR

ITEM

1. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JULY 31, 1987.

   DeWitt Bowman, Chief Investment Officer, made a written and oral recommendation on the allocation of funds for the period ending July 31, 1987. The Board reviewed and discussed the recommendation with the staff.

   ACTION: It was moved by Walker, seconded by Ashe to approve staff's recommendation on the allocation of funds for the period ending July 31, 1987; (See attached recommendation), motion passed, 4-0.

2. SELECTION OF A REAL ESTATE CONSULTANT FOR THE RETIREMENT SYSTEM TRUST FUND:

   DeWitt Bowman, Chief Investment Officer, reviewed and provided information to the Board on selection of a real estate consultant for the Retirement System Trust Fund. The Board engaged in a question and answer session with the staff.

   ACTION: It was moved by Weisberg, seconded by Walker that the Retirement Board retain the firm of Pension Realty Advisors, and that staff develop a contract to be brought back to the Board for review; motion passed, 4-0.

3. RETIREMENT SYSTEM INVESTMENT BUDGET FOR FISCAL YEAR 1987-1988.

Rudy Hernandez, Deputy General Manager Operations and Finance; DeWitt Bowman, Chief Investment Officer; Clare Murphy, General Manager, presented an oral and written report of the Retirement System Investment Budget for Fiscal Year 1987-1988. The Board discussed the budget with staff.

ACTION: It was moved by Ashe, seconded by Walker to adopt the budget; motion passed, 4-0.

4. REQUEST FOR APPROVAL OF ONE STAFF TO ATTEND THE 20TH ANNUAL INVESTMENT MANAGEMENT WORKSHOP, JULY 19-24, 1987, AT PRINCETON UNIVERSITY.

ACTION: It was moved by Ashe, seconded by Walker for the approval of one staff to attend the 20th Annual Investment Management Workshop, July 19-24, at Princeton University; motion passed, 4-0.

5. REQUEST FOR APPROVAL OF ONE STAFF TO ATTEND THE 1987 FINANCIAL ANALYST SEMINAR AUGUST 2-7, 1987, IN ROCKFORD, ILLINOIS.

ACTION: It was moved by Ashe, seconded by Walker for the approval of one staff to attend the 1987 Financial Analyst Seminar August 2-7, 1987, in Rockford, Illinois; motion passed, 4-0.

8. CHIEF INVESTMENT OFFICER REPORT:

A. The Chief Investment Officer reported that he had five Proxy Votes to present:

		FOR	AGAINST
1.	The Limited Inc. Shareholder proposal: A "fair price" amendment.	4	0
2.	MCA Corp. Shareholder proposal: Require directors to be elected annually.	4	0
3.	Bankamerica Shareholder proposal: Require the company to limit charitable contributions only to further company business interests.	0	4

		FOR	AGAINST
4.	Triangle Industries Shareholder proposal:		
	1. Proposals stem from the merger of American Can Co. with Triangle and are germane to its success.	4	0
	2. Limit future stock option programs.	0	4
5.	Southern Company Shareholder proposals:		
	1. Allow change in number of directors & appointment of new directors without stockholder approval.	0	4
	2. Establish a "fair price" provision to prevent two-tier takeover.	4	0
	3. Require the company to furnish an annual list of employees above Vice President who have worked with Government.	1	3

B. He presented the Board an updated list of U.S. companies currently doing business with South Africa.

C. He presented the Board a written and oral report on the companies that the Investment Staff had met during the month of April 1987.

6. PRESENTATIONS BY EXTERNAL INVESTMENT MANAGERS:

Oechsle Int. Advisors-Steve Langer
Bankers Trust Co.-Bob Goodchild
Hanson Investment Mgt.-Herb Hanson
McCullough, Andrews, Cappielo-Bob McCullough

External Investment Managers from the above firms made written and oral presentations to the Board. The Board engaged in questions and answer sessions with the Managers. No action was taken; information item only.

7. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDING MARCH 31, 1987.

Representative from Callan Associates, Mr. Russ Blumenthal, presented a written and oral report on the performance measurement of the Retirement System's investment portfolio for the quarter ending March 31, 1987. The Board, Mr. Blumenthal and the staff exchanged comments on the reports. No action was taken; information item only.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. The schedule of May and June meetings will be as follows:

May 26, 1987	1:30 P.M.
June 9, 1987	1:30 P.M.
June 30, 1987	1:30 P.M.

2. Mr. Ben Flores, Deputy City Attorney, has been assigned to City Hall as Purchaser's attorney. She indicated the staff's thanks for his cooperative dilligent and hardworking service to the System for the last six months.

There being no further business, the Board adjourned at 5:00 P.M.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

SFCCERS
Recommended Asset Allocation for the Quarter Ending July 31, 1987

Funds Analysis

Projected Net Contributions	24,000,000
Projected Income	48,996,918
Total Available for Allocation	72,996,918

Recommended Cash Flow Allocation

Sector	Portfolio	Anticipated Income	Additions (Deletions)	Current Weighting	Adjusted Weighting	Allocation Goal
Domestic Equity	Index	1,509,035		19.0%	19.0%	
	Internal	1,001,556		9.4%	9.4%	
	Loomis	929,886		17.5%	17.4%	
	Alger	1,114,181		14.7%	14.7%	
	Springman	1,444,498		15.5%	15.5%	
	McCullough	422,312		4.2%	4.2%	
	Hahn	377,247		3.5%	3.5%	
	Furman	497,482		6.2%	6.2%	
	Nicholas	113,813		3.7%	3.7%	
	Hanson	458,583		6.5%	6.5%	
	Total	7,868,593		33.3%	32.8%	30.0%
International Equity	Cap.Guard	327,654	5,000,000	34.0%	34.0%	
	Morgan	236,238	5,000,000	33.8%	33.7%	
	Oechsle	211,750	5,000,000	32.2%	32.3%	
	Total	775,642	15,000,000	4.9%	5.3%	6.0%
Venture Cap.		0				
	Total	0	0	0	0	5.0%
Domestic Fixed Income	Internal	20,081,966	(38,612,527)	55.8%		
	Private	2,387,473	(2,387,473)	6.9%		
	Cal.Mort.	3,534,635	10,000,000	7.7%		
	MacKay	3,012,707		8.8%		
	Lehman	1,970,446		6.0%		
	Bankers	1,949,864		6.3%		
	Scudder	3,214,092		8.5%		
	Total	36,171,183	(31,000,000)	53.9%	52.8%	42.0%
International Fixed Income	First Chi.	1,329,858	20,000,000	50.9%		
	Warburg	1,237,597	20,000,000	49.1%		
	Total	2,567,455	40,000,000	4.4%	5.6%	7.0%
Real Estate	Coldwell	1,614,045		100.0%	100.0%	
	Total	1,614,045	0	3.5%	3.5%	10.0%
TOTAL ALLOCATION		48,996,918	24,000,000	100.0%	100.0%	100.0%

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 26, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
	Samuel W. Walker	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager Retirement System

MINUTES: Minutes of Regular Meeting, May 12, 1987.

ACTION: Approved as submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under a Consent Calendar:

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 19-86.

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Wilma Dickerson $ 8,916.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bill E. Garrett $ 4,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Raymond Shine $12,257.56

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
John Williams $ 500.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sviatoslav Yasinitsky $ 6,250.00

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Eduardo Magpantay

h) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE BENEFITS CONFERENCE FOR PUBLIC EMPLOYEES, AUGUST 2-5, 1987, IN LAKE TAHOE, NEVADA.

ACTION: It was moved by Ashe, seconded by Driscoll to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

ITEM

1. PRESENTATION ON STRUCTURED SETTLEMENTS FOR WORKERS' COMPENSATION CASES.

   Brian Narlock, Workers Compensation Claims Supervisor, Pat Holman, Assistant Claims Supervisor, and Ken Stacey, a representative from the Structured Settlement Company presented a written and oral presentation on Structured Settlements for Workers Compensation Cases. The Board reviewed and discussed the proposal with Mr. Stacey and staff. No action was taken, information item only.

Note: Commissioners Walker and Weisberg arrived during the above item.

2. STRUCTURED SETTLEMENT:

   M.A. Chestangue vs SFUSD

   Brian Narlock and Pat Holman presented the first request for a Structured Settlement in the case of M.A. Chestangue vs SFUSD. The Board reviewed and discussed the case with staff.

   ACTION: It was moved by Gibson, seconded by Driscoll to approve the settlement for M.A. Chestangue under the structure proposed in the staff report; motion passed, 6-0.

3. REQUEST FOR RELEASE OF NAMES AND ADDRESSES BY TRANSPORT WORKERS UNION OF AMERICA.

   Commissioner Samuel Walker presented a request for the release of names and addresses from the Transport Workers Union of America. Clare M. Murphy, General Manager, discussed the reasons for the inability to grant this request at this time. Staff will discuss alternatives with the Transport Workers Union of America. No action taken on this item.

4. HEARING OFFICER DECISIONS:

   ANDERSON, Katherine
   POLICE - Q2 Police Officer
   INDUSTRIAL DISABILITY
   Effective Date: August 16, 1986 GRANTED

   DENNIS, Edward J.
   POLICE - 0380 Inspector
   INDUSTRIAL DISABILITY
   Effective Date: April 15, 1987 GRANTED

ETZEL, Norman P.
FIRE - H20 Lieutenant
INDUSTRIAL/STIP DISABILITY
Effective Date: August 8, 1986 GRANTED

LAKE, David
MUNI - 7256 Elec. Motorshop Supv.
ORDINARY DISABILITY
Effective Date: April 1, 1987 GRANTED

ROBINSON, Jolly
SFUSD - 2727 Custodial Foreman
ORDINARY/STIP DISABILITY
Effective Date: Jan. 20, 1987 GRANTED

SANSBERRY, Mary
PUBLIC HEALTH - 2830 PH Nurse
ORDINARY DISABILITY
Effective Date: March 28, 1987 GRANTED

WILBURN, Jimmie L.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: Sept. 1, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Walker to accept the Hearing Officer Decisions; motion passed, 6-0.

5. REQUEST FOR CANCELLATION OF APPLICATION FOR INDUSTRIAL DISABILITY.

SULLIVAN, Michael J.

ACTION: It was moved by Walker, seconded by Ashe to approve the request for cancellation of application for industrial disability by Michael J. Sullivan; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg to hear the Supplemental Calendar; motion passed, 6-0.

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Ramiro Contreras $ 5,300.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Charles Malone $ 500.00

ACTION: It was moved by Weisberg, seconded by Gibson to adopt the two Settlements of Disputed Claim; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON THE PERFORMANCE OF COLDWELL BANKER FUNDS III, IV, V, VI, VIII FOR THE QUARTER ENDED MARCH 31, 1987.

   Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral review of the Activities and Performance of Coldwell Banker Funds III, IV, V, VI, VIII for the quarter ended March 31, 1987. The Board reviewed and discussed the report with staff. No action was taken; information item only.

2. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED MARCH 31, 1987.

   Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report on the Performance of the External International Equity Managers for the quarter ended March 31, 1987. The Board engaged in a question and answer session with Ms. Hamilton and staff. No action was taken; information item only.

3. STAFF REPORT ON THE PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED MARCH 31, 1987.

   Mark Coleman, Security Analyst, presented a written and oral report on the Performance of the External International Fixed Income Managers for the quarter ended March 31, 1987. The Board reviewed and discussed the report with Mr. Coleman and staff. No action was taken; information item only.

4. REAL ESTATE CONSULTANT REPORT AND PROPOSED CONTRACT PROVISIONS:

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the real estate consultant and the proposed contract provisions. The Board engaged in a question and answer session with Mr. Bowman.

ACTION: It was moved by Ashe, seconded by Walker to accept the Chief Investment Officer's recommendation to conclude contract negotiations at the $60,000 level, however, providing that the fee may be reduced should the Retirement Board require fewer reports per year; motion passed, 6-0.

5. PROXY VOTES:

		FOR	AGAINST
1.	F.W. Woolworth Shareholder proposal: Require the company to restore limited pre-emptive rights.	6	0
2.	American Stores Shareholder proposal: Rescind "Poison Pill" rights.	6	0

6. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowman, the Chief Investment Officer presented two reports on the South Africa investment policies of the San Francisco Employees' Retirement System. The Board reviewed and discussed the reports with Mr. Bowman and staff.

Mr. Bowman also passed out a draft document on Investment Division Program Development. He asked the Retirement Board to review the report and return all comments to him at their earliest convenience.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. There are numerous investment projects which must be addressed in the next 3 to 4 months. They include the following:

   Results of an Asset Allocation Study.
   Fixed Income Manager Review.
   Equity Income Manager Review.
   Real Estate Working Session with PRA.
   Rewrite Strategic Plan.
   South Africa Investment Restrictions.
   Custodial Request for Qualification Report.

2. The Board discussed the topics and potential schedule for the next 3 months. The Board decided that all regularly scheduled Board Meetings will be held in June, July. The August 25 meeting will tentatively be cancelled.

BOARD MEMBERS

President Denning reported on his recent trip to London. He informed the Board members and staff the Conference was the most informative and educational conference he has attended. He also stated he feels very positive about the Retirement System engaging in International Investments after attending this conference.

There being no further business, the Board adjourned at 6:15 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, June 9, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Joseph D. Driscoll	Vice President
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, May 26, 1987.

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

a) VOLUNTARY SERVICE RETIREMENT LIST - 20/86

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Gerald A. Brooks $12,500.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Miguel Burciaga $ 200.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Constance A. Coffey $ 25,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Frank De Stefano $ 1,000.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Lucy Holman $ 2,443.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Mabel Lewis $11,000.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Anna Lumsey $ 1,665.48

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Lenora Robertson $62,500.00

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Zelbulando Sidorenko $ 1,500.00

k) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Jessie M. Smally $ 1,666.66

l) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Lesley Wilmer $ 2,800.00

m) APPLICATION OF BIRTHDATE CORRECTION:

Elizabeth H. Lyons

n) APPLICATION OF BIRTHDATE CORRECTION:

Ramiro C. Rodriguez

ACTION: It was moved by Weisberg, seconded by Ashe to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. REQUEST FOR APPROVAL OF ACTUARIAL CONSULTING CONTRACT FOR FISCAL YEAR 1987-88.

Kieran Murphy, Actuary presented a written and oral request to the Board to approve the Actuarial Consulting Contract for fiscal year 1987-88. The Board reviewed and discussed the terms of the contract which will be with the Actuarial firm of Milliman and Robertson.

ACTION:It was moved by Ashe, seconded by Gibson to approve the Actuarial Contract with Milliman and Robertson in the amount of $120,000.00 for the fiscal year 1987-88; motion pased, 5-0.

2. RESOLUTIONS -- CREDITING INTEREST AND PAYROLL DEDUCTIONS.

Alyce Wong, Chief Accountant and Maria Newport Assistant Actuary presented two resolutions for the Board to adopt. The first resolution will allow the Retirement System to credit interest to members' accounts in a timely manner. The second resolution will allow a member of the Retirement System to increase or restore benefits through a payroll deduction program. The Board reviewed the resolutions and engaged in a question and answer period with staff.

ACTION :It was moved by Weisberg, seconded by Walker to approve the two resolutions proposed by staff ; motion passed, 5-0.

3. TRAVEL EXPENSES REPORT FOR FISCAL YEAR 1985-86 AND FISCAL YEAR 1986-1987.

Alyce Wong , Chief Accountant and Clare Murphy , General Manager presented a written and oral report on Travel Expenses for Fiscal years 1985-1987. The Board reviewed and discussed the report. No action was taken on this item ; information only.

4. HEARING OFFICER DECISIONS:

ALLEN, Eugene A.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: October 18, 1986 GRANTED

CRONEY, Mary L.
PH-SFGH - 2302 Orderly
ORDINARY DISABILITY
Effective Date: January 1, 1987 GRANTED

CRUZ, Gregorio
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: Sept. 19, 1986 GRANTED

EDMONDS, Steve L.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: April 1, 1987 GRANTED

HAMPTON, Livingston
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: January 1, 1987 GRANTED

LIGGET, Main E.
MUNI - 9139 Transit Supervisor
ORDINARY DISABILITY
Effective Date: August 1, 1986 GRANTED

MORIATY, Stephen
FIRE - H-30 Capt. Fire
INDUSTRIAL DISABILITY
Effective Date: November 7, 1985 GRANTED

MUHAMMAD, Saeed
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: April 18, 1987 GRANTED

OWENS, Daniel
TAX COLLECTOR - 4224 P. Auditor
ORDINARY DISABILITY
Effective Date: July 1, 1987 GRANTED

SEARS, Phyllis, Marie
REC&PARK - 1402 Jr. Clerk
ORDINARY DISABILITY
Effective Date: January 1, 1987 GRANTED

STREMME, August Jr.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY
Effective Date: March 14, 1986 GRANTED

SZETO, John
PUC COMMISSION - 5204 - Asst. Civil Engineer
ORDINARY DISABILITY
Effective Date: February 5, 1987 GRANTED

TEHANEY, Robert J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: August 8, 1986 GRANTED

WINSLOW, Michael J.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date: June 11, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg to accept the Hearing Officer decisions except in the case of Robert Tehaney which will be submitted for rehearing consideration; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. REPORT ON RESPONSES TO OUR LOCAL CUSTODIAN QUALIFICATION SURVEY.

Dewitt Bowman, Chief Investment Officer , presented a written and oral report to the Board on the responses of the local custodian qualification survey. The Board reviewed and discussed the results with staff. The Board directed staff to continue a more indepth survey of those firms that responded. No action was taken on this item, information only.

2. CHIEF INVESTMENT OFFICER REPORT:

A. PROXY VOTES:

		FOR	AGAINST
1.	International Multifoods Shareholder Proposal: Elect Directors on an Annual basis.	5	0
2.	General Instrument Corp Shareholder Proposal: Series of Amendments which will have an anti-takeover effect.	0	5

B. REPORT ON VENTURE CAPITAL.

Dewitt Bowman presented a written and oral report to the Board on Venture Capital. The Board reviewed and discussed the opportunities in this arena of investments. The Board will continue with staff to investigate venture capital. No action was taken on this item; information item only.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION:It was moved by Gibson, seconded by Walker to hear the Supplemental Calendar ; motion passed, 5-0.

ITEM

1. VOLUNTARY SERVICE RETIREMENT LIST 21/86.

A. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Mumtaz Ahmad $ 522.97

B. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Cora Coleman $ 3,800.00

C. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

William Corry $15,972.75

D. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Robert D. Darden $ 556.53

E. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

John Harris $13,333.00

F. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

James Meredith $ 808.59

G. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Judith A. Nelson $ 9,000.00

ACTION: It was moved by Gibson, seconded by Walker, to adopt the above items; 1 and A through G; motion passed 5-0.

2. HEARING OFFICER DECISIONS:

BODEN, Daniel
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY DENIED

CHRISTENSEN, Peter
POLICE - Q50 Sgt. Police
INDUSTRIAL DISABILITY
Effective Date: July 5, 1986 GRANTED

KWONG, Robert S. C.
PUC - 5354 - Electrical Engineering Associate
ORDINARY DISABILITY
Effective Date: May 1, 1987 GRANTED

CUNNINGHAM, Wilford
REC&PARK - 8208 Park Patrol Officer
ORDINARY DISABILITY
Effective Date: March 11, 1987 GRANTED

McCULLOUGH, Rosella
SFGH - 2322 Head Nurse
ORDINARY DISABILITY
Effective Date: October 15, 1986 GRANTED

ACTION:It was moved by Gibson, seconded by Weisberg to accept the Hearing Officer decisions; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that :

1. There were several social committments pending for the Board members. The Board members discussed these events and decided whom would represent the board.

2 The August 25th Retirement Board will be cancelled.

3. The Retirement System Budget will be presented before the Board of Supervisors' Finance Committee Tuesday June 16, 1987.

There being no further business,
the Board adjourned at 4:29 P.M.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by
Court Reporter: Richard Adams

CALENDAR

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, June 30, 1987

1:30 PM

Paul F. Denning	President
Joseph D. Driscoll	Vice President
Peter D. Ashe	Commissioner
Bonnie K. Gibson	Commissioner
Samuel W. Walker	Commissioner
Raymond L. Weisberg, M. D.	Commissioner
Nancy Walker	President, Board of Supervisors

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

REGULAR MEETING

MINUTES

Minutes of Regular Meeting June 9, 1987, submitted for approval.

CONSENT CALENDAR

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Retirement Board and will be acted upon by a single vote of the Board. There will be no separate discussion on these items unless a member of the Board so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:
Manuel Chaffo $ 5,000.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Anna Chan $ 2,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Rickey Johnson $15,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
James Knight (Deceased) $57,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Guillermo Ortiz $66,019.04

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Steve M. Ramella $ 1,777.06

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Reginald Smith $10,000.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bertha Thomas $20,000.00

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Robert H. Vernon $ 8,333.00

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Carrel Washington $20,000.00

k) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sara Jane Crosby

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Phil Sotto

ACTION:

REGULAR CALENDAR

ITEM

1. REQUEST TO DEFINE THE ELIGIBLE PARTICIPANTS FOR THE DEFERRED COMPENSATION PLAN OF THE HARTFORD VARIABLE INSURANCE COMPANY.

   ACTION:

2. HEARING OFFICER DECISIONS:

   CHILDS, Willie B.
   MUNI - 9163 Transit Operator
   ORDINARY DISABILITY
   Effective Date: May 1, 1987 GRANTED

   HARDY, Blaine F.
   FIRE - H 110 Marine Engineer
   ORDINARY DISABILITY
   Effective Date: November 1, 1986 GRANTED

   SCANNELL, Denis
   ELECTRICITY - 73273 Communication Line Supt II
   ORDINARY DISABILITY
   Effective Date: January 23, 1987 GRANTED

   ZAMLICH, Martin A.
   AIRPORT - 7345 Electrician
   ORDINARY DISABILITY
   Effective Date: May 2, 1987 GRANTED

   ACTION:

INVESTMENT CALENDAR

ITEM

1. THREE YEAR REVIEW OF FIXED INCOME MANAGERS:

   ACTION:

2. REPORT ON ASSET ALLOCATION STUDY:

   ACTION:

3. VENTURE CAPITAL CONSULTANT REPORT.

   ACTION:

4. REPORT ON INVESTMENT DIVISION PROGRAM DEVELOPMENT.

   ACTION:

5. CHIEF INVESTMENT OFFICER REPORT.

   A. PROXY VOTES.

      ACTION:

   B. REQUEST TO ADOPT THE CERTIFICATION OF AUTHORIZATION TO TRANSFER.

      ACTION:

PUBLIC COMMENTS

GENERAL MANAGER'S REPORT

BOARD MEMBERS

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, July 7, 1987 - NOON

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager Retirement System

MINUTES: Minutes of Regular Meeting, June 9, 1987.

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Victor Belliveau $25,000.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Manuel Chaffo $ 5,000.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Anna Chan $ 2,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Ada Dison $ 1,500.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Rickey Johnson $15,000.00

f) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
James Knight (Deceased) $57,500.00

g) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Artimeze Tramel McClusky $ 5,500.00

h) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Guillermo Ortiz $66,019.04

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Reginald Smith $10,000.00

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Bertha Thomas $20,000.00

k) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Carrel Washington $20,000.00

l) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Michael Jeffries $ 1,383.47

m) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Joseph Miller $ 1,050.00

n) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Raymond Miller $11,000.00

o) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Steve M. Ramella $ 1,777.06

p) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Jeffrey Smith $ 1,333.00

q) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

Robert H. Vernon $ 8,333.00

r) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Sara Jane Crosby

s) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Phil Sotto

ACTION:It was moved by Driscoll, seconded by Walker, to adopt the Consent Calendar Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. REQUEST TO DEFINE THE ELIGIBLE PARTICIPANTS FOR THE DEFERRED COMPENSATION PLAN OF THE HARTFORD VARIABLE INSURANCE COMPANY.

Pam Levesque, Executive Assistant, presented a written and oral request to the Board to define the eligible participants for the deferred compensation plan. The Board engaged in a question and answer session with Ms. Levesque and staff.

ACTION:It was moved by Driscoll, seconded by Gibson to approve staff's recommendation for the new definition of eligible employee for participation in the deferred compensation plan which will be :"Any person employed by the City & County of San Francisco who receives a Controller's pay warrant."; motion passed, 6-0.

2. SUPPLEMENTAL BUDGET ITEMS

Rudy Hernandez presented a written and oral report on two Supplemental Budget items. The Board reviewed and discussed the matter with Mr. Hernandez and the General Manager.

ACTION:It was moved by Driscoll, seconded by Gibson to approve the request for a supplemental budget; motion passed, 6-0.

3. REQUEST FROM RETIRED MEMBER ORGANIZATIONS TO INCLUDE MEMBERSHIP DRIVE MATERIAL WITH JULY 31, 1987, RETIRED ALLOWANCE WARRANTS

Mr. John Simpson, Mr. Jackee Ford and Mr. Tom McDonough from the San Francisco Retirees Association rendered a written and oral request of the Board to include membership material with the July pension checks. The Board reviewed and discussed the proposal with the members of the Retirees Association and staff.

ACTION:It was moved by Walker , seconded by Ashe, to approve the request of the Retirees Association; motion passed, 6-0.

4. HEARING OFFICER DECISIONS:

BENDER, Willie
PUBLIC HEALTH - 2760 Laundry Worker
ORDINARY DISABILITY
Effective Date: May 1, 1987 GRANTED

CHILDS, Willie B.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: May 1, 1987 GRANTED

COHEN, Jack P.
POLICE - Q2 Police Officer
INDUSTRIAL DISABILITY RETIREMENT
Effective Date: September 25, 1987 GRANTED

HARDY, Blaine F.
FIRE - H 110 Marine Engineer
ORDINARY DISABILITY
Effective Date: November 1, 1986 GRANTED

MURPHY, Daniel J.
POLICE - Q80 Captain
INDUSTRIAL DISABILITY RETIRMENT
Effective Date: July 26, 1986 GRANTED

SCANNELL, Denis
ELECTRICITY - 73273 Communication Line Supt II
ORDINARY DISABILITY
Effective Date: January 23, 1987 GRANTED

WALSH, Michael J.
POLICE - Q2 Police Officer
DETERMINATION DENIED

ZAMLICH, Martin A.
AIRPORT - 7345 Electrician
ORDINARY DISABILITY
Effective Date: May 2, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Walker, to accept the Hearing Officer decisions; motion passed, 6-0.

INVESTMENT CALENDAR

ITEM

1. THREE YEAR REVIEW OF FIXED INCOME MANAGERS:

   Mr. Dewitt Bowman, Chief Investment Officer , presented a written and oral report on the three year review of fixed income managers. The Board reviewed and discussed the report with Mr. Bowman and staff. No action was taken; information item only.

2. REPORT ON ASSET ALLOCATION STUDY:

   Dewitt Bowman rendered a written and oral reort on the Asset Allocation study. The Board engaged in a question and answer session with Mr. Bowman and staff.

   ACTION: It was moved by Gibson, seconded by Ashe to accept staff's recommendation of the asset sector goals indicated by the study in replacement of the ones adopted in 1984; motion passed, 6-0.

3. VENTURE CAPITAL CONSULTANT REPORT.

   Gary Hiatt, Security Analyst presented a written and oral report to the Board on the Venture Capital Consultants. The Board reviewed and discussed the report with Mr. Hiatt and Mr. Bowman. No action was taken on this report ; information item only.

4. REPORT ON INVESTMENT DIVISION PROGRAM DEVELOPMENT.

   The Report on Investment Division Program Development was continued to the July 14, 1987 Board meeting.

5. CHIEF INVESTMENT OFFICER REPORT.

   A. PROXY VOTES.

McKesson Corp	FOR	AGAINST
Shareholder Proposal: Require Directors be elected annually.	6	0

   B. REQUEST TO ADOPT THE CERTIFICATION OF AUTHORIZATION TO TRANSFER.

   ACTION: It was moved by Walker, seconded by Ashe to adopt the Certification of Authorization to Transfer; motion passed, 6-0.

6. The Board met in a special working session from 2:00 - 4:00 PM , with the Real Estate Consultant firm of Pension Realty Advisors. Bill Ramseyer, Susan Barlow and Michael Young presented a written and oral report to the Board. No action was taken on this item; the board reviewed the potential Real Estate program for the Retirement System Trust Fund.

   Note: Commissioner Gibson left the meeting at this time.

GENERAL MANAGER'S REPORT

The General Manager reported that :

1. The Charter Amendments for the 1988 election are in the final stages. Three Charter Amendments affect the pension plan. A full report will be made at the July 14, 1987 meeting for Board action.

2. The CALAPRS General Assembly will meet October 18 & 19, 1987 at the Meridian Hotel in San Francisco. The Board will receive announcements at a later date.

There being no further business, the Board adjourned at 5:00 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, July 14, 1987 - 1:30 P.M.

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Samuel W. Walker	Commissioner
	Clare M. Murphy	General Manager Retirement System

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

a) VOLUNTARY SERVICE RETIREMENT LIST - 1/87

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Antoinette Coe $ 596.81

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND REALESE:
David Jauregui $ 7,000.00

d) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND REALESE:
James Leggins $11,000.00

e) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND REALESE:
Joseph MacKenzie $ 2,000.00

f) SETTLEMENT OF DISPUTED CLAIM - STIPULATED AWARD:
Pamela Meeds $46,480.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
David Pappas $ 850.00

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Jessie M. Smally $ 1,666.66

i) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Christopher Robinson $ 7,000.00

j) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Beverly Williams $10,000.00

k) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Sandra Shepherd $ 6,000.00

l) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Arthur Dettel

m) APPLICATION FOR BIRTHDATE CORRECTION:
Lucy Melendez

n) APPLICATION FOR BIRTHDATE CORRECTION:

Rafael (N.M.I.) Valladares

ACTION: It was moved by Gibson, seconded by Weisberg to remove item f from the Consent Calendar; motion passed, 4-0.

ACTION: It was moved by Weisberg, seconded by Ashe, to adopt the Consent Calendar except for item f; motion passed, 4-0.

REGULAR CALENDAR

NOTE: Commissioner Paul Denning arrived at this time.

ITEM

1. CHARTER AMENDMENTS FOR 1987:

Clare Murphy, General Manager presented a written and oral report to the Board on numerous Charter Amendments for the 1987 election. The Board reviewed and discussed Amendments which would affect the pension plan. The Board decided to take action on only one of the proposed Amendments.

ACTION: It was moved by Weisberg, seconded by Ashe to not be in opposition of the Charter Amendment on Representative Service in view of the fact that the Amendment would not affect the pension plan; motion passed, 5-0.

2. HEARING OFFICER DECISIONS:

FRENCH, Donald
CIVIL SERVICE COMMISSION - 1402 Jr. Clerk
ORDINARY DISABILITY
Effective Date: March 1, 1987 GRANTED

FOSS, Kenneth A.
POLICE - Q-80 Captain
WAIVER OF THE STATUS OF LIMITATIONS
Effective Date: January 26, 1987 GRANTED

GARCIA JESUS
PUBLICH HEALTH-SFGH - 2406 Pharmacy Helper
ORDINARY DISABILITY
Effective Date: May 1, 1987 GRANTED

HYMAN, Bernard
ELECTRICITY - 7345 Electrician
ORDINARY DISABILITY
Effective Date: April 15, 1987 GRANTED

LICHT, Mark D.
SOCIAL SERVICES - 2903 E.W.
ORDINARY DISABILITY
Effective Date: February 14, 1987 GRANTED

ROBERTS, Mollie J.
PH-SFGH - 2326 Nursing Supervisor Psychiatric
ORDINARY DISABILITY
Effective Date: August 22, 1987 GRANTED

STRAWN, David P.
MUNI - 9139 Transit Supervisor
ORDINARY DISABILITY
Effective Date: May 30, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg to accept the Hearing Officer Decisions; motion passed 4-0.(Denning absent).

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg to hear the Supplemental Calendar, motion passed, 4-0 (Denning absent).

ITEM

1. Minutes of Regular Meeting July 7, 1987, submitted for approval.

ACTION: It was moved by Weisberg, seconded by Ashe to approve the Minutes as submitted; motion passed, 4-0.(Denning absent)

2. A. VOLUNTARY SERVICE RETIREMENT LIST 2-87.

B. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:.

Edward Edney $ 4,607.80

C. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:

John Denny $ 1,144.75

D. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

James McGovern $ 1,500.00

E. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Carmelita Cenidoza

ACTION: It was moved by Weisberg, seconded by Gibson to adopt the above Consent items; motion passed, 5-0

3. HEARING OFFICER DECISION:

CALLAGHAN, Robert A.
FIRE - H2 - Firefighter
INDUSTRIAL DISABILITY
Effective Date: March 3, 1986 GRANTED

CHOW, Deanna
SOC. SERVICES - 2910 Social Worker
ORDINARY DISABILITY
Effective Date: August 8, 1987 GRANTED

EVANS, Frank
MUNI - 9163 - Transit Operator
ORDINARY DISABILITY
Effective Date: May 1, 1987 GRANTED

HEARN, Wallace
CONTROLLERS - 1739 Computer Operation Sup.
ORDINARY DISABILITY
Effective Date: July 1, 1987 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg to remove the Callaghan matter from the Hearing Officer Decisions; motion failed, 2-2.(Ashe,Driscoll) (Denning absent).

ACTION: It was moved by Gibson, seconded by Weisberg to accept the Hearing Officer Decisions except for the Callaghan matter which will be forwarded to the next Board meeting; motion passed, 5-0

INVESTMENTS CALENDAR

ITEM

1. REPORT ON INVESTMENT DIVISION PROGRAM DEVELOPMENT.

   This item was recalendared to the next regularly scheduled Board meeting.

2. CHIEF INVESTMENT OFFICER REPORT.

   A. U.S. Companies currently doing business in South Africa

      The Chief Investment Officers' report was recalendared to the next regularly scheduled Board meeting.

3. VENTURE CAPITAL PRESENTATIONS:

   The Retirement Board conducted interviews for potential Venture Capital Consultants for the Retirement System Trust Fund.

   Representatives of the following firms rendered written and oral presentations:

   Crossroads Capital Group

   First Chicago Investment Advisors

   Abbott Capital Management Inc.

   Wilshire Associates

   The Board and Staff engaged in a question and answer session with firms' representatives.

   No action was taken on these presentations.

EXECUTIVE SESSION

The Executive Session was recalendared to the next regularly scheduled Board meeting.

GENERAL MANAGERS'S REPORT

The General Manager's Report was recalendared to the next regularly scheduled Board meeting.

There being no further business, the Board adjourned at 6:15 P.M.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, July 28, 1987 - 1:30 P.M.

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Samuel W. Walker	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, July 14, 1987

Action: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Susan Ching $ 736.09

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Ted Gardner $ 2,019.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Roy E. Timmons $ 2,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Kevin Tull $ 1,000.00

e) APPLICATION FOR BIRTHDATE CORRECTION:
Helen Anderson

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
B. Jane Hawthorne

g) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lonnie Moore

h) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Linda Ray Trout

ACTION: It was moved by Weisberg, seconded by Gibson, to remove item g from the Consent Calendar in order to gain additional medical documentation; motion passed, 5-0.

ACTION: It was moved by Weisberg, seconded by Gibson, to adopt the Consent Calendar except for item g; motion passed, 5-0.

REGULAR CALENDAR

ITEM

1. ACTUARIAL REPORT -MILLIMAN & ROBERTSON

Bill Smith, Consulting Actuary, Milliman and Robertson and Kieran Murphy, Staff Actuary, presented a written and oral report to the Board on actuarial and economic assumptions for fiscal year 1986. The Board engaged in a question and answer session with Bill Smith and Kieran Murphy.

No action was taken on this presentation; information item only

2. ADJUSTMENT OF RETIREMENT ALLOWANCE
(Requires Ballot Vote)

Pamela Meeds

ACTION: By a unanimous ballot vote, the Board approved the adjustment of Ms. Meed's allowance from 50% to 63%.

3. HEARING OFFICER DECISION:

CALLAGHAN, Robert
FIRE DEPARTMENT -H2 Firefighter
INDUSTRIAL DISABILITY
Effective Date March 3, 1986 GRANTED

Sue Cummins, Deputy City Attorney, presented a written and oral report to the Board. The Board reviewed and discussed the matter with Sue Cummins and staff.

ACTION: It was moved by Gibson, seconded by Weisberg to request a rehearing in the Callaghan matter; motion passed, 3-2 (Driscoll, Ashe).

4 ADJUSTMENT OF RETIREMENT ALLOWANCE
(Requires Ballot Vote)

Edward J. Dennis

ACTION: By a unanimous ballot vote, the Board approved the adjustment of Mr. Dennis' retirement allowance from 50% to 69 1/2%

5. HEARING OFFICER DECISIONS:

FRAZIER, Robert M
FIRE DEPARTMENT - H-20 Lieutenant
INDUSTRIAL DISABILITY
Effective Date: February 3, 1987 GRANTED

GAU, Frank W.
POLICE - Q50 Sgt.
INDUSTRIAL DISABILITY DENIED

HENSON, Peter B.
Fire Department - H20 Lieutenant
INDUSTRIAL DISABILITY DENIED

KIMBLE, Elbert J.
Fire Department - H20 Lieutenant
INDUSTRIAL DISABILITY DENIED

MAST, Charles D
SOCIAL SERVICES - 2911 Elig. Appeals Specialist
ORDINARY DISABILITY
Effective Date: June 1, 1987 GRANTED

WETZEL, Paul A.
Airport Police - Police Officer
INDUSTRIAL DISABILITY
PERS GRANTED

ACTION: It was moved by Gibson, seconded by Driscoll to accept the Hearing Officer decisions with the exception of the Paul Wetzel matter, which was recalendared to the next regularly scheduled Board meeting; motion passed, 5-0.

INVESTMENTS CALENDAR

ITEM

1. STRATEGIC PLAN DRAFT REVIEW.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on a proposed revision for the Investment Division's Strategic Plan. The Board had a preliminary discussion on the matter. Further discussion on the strategic plan was continued to the regularly scheduled meeting on September 29, 1987.

No action was taken on this item; information only.

2. VENTURE CAPITAL REPORT AND RECOMMENDATION.

Prior to the discussion on Venture Capital, the Board agreed unanimously to allow Commissioner Denning to abstain from the vote on Venture Capital to avoid a potential conflict of interest.

DeWitt Bowman presented a written and oral report to the Board on the Venture Capital firms under review Mr. Bowman recommended a firm to be chosen by the Retirement Board. The Board reviewed and discussed the proposed recommendation.

ACTION: It was moved by Gibson, seconded by Weisberg to adopt the staff's recommendation; motion failed, 2-2 (Driscoll, Ashe).
(Denning abstained).

Note: The Board decided to continue the Venture Capital matter to August 12, 1987, and instructed staff to contact and review Citicorp and Acorn as possible candidates.

3 CHIEF INVESTMENT OFFICER REPORT:

A. U.S. Companies currently doing business in South Afric

DeWitt Bowman presented the current list of the companies doing business in South Africa.

No further action was taken on this matter.

B. Mr. Bowman reported that two of the Retirement System Investment Managers have been acquired by new companies, but remain with the same management staff.

No action was taken; information item only.

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Driscoll, to hear th Supplemental Calendar, motion passed, 5-0

ITEM

1. A. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT

James Meredith 808.59

B. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Barbara Allen Conway

C. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Mattie Dixon

D. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Kathleen Gilbert

E. REQUEST FOR ONE STAFF TO ATTEND THE REAL ESTATE SEMINAR FOR PENSION PLAN PROFESSIONALS, AUGUST 23-26, AT LAGUNA NIGUEL.

ACTION: It was moved by Gibson, seconded by Driscoll, to adopt the above Consent Calendar items; motion passed, 5-0

2. HEARING OFFICER DECISION:

MALONEY, Roger W.
Police - Q80 Inspector
INDUSTRIAL DISABILITY DENIED

ACTION: It was moved by Gibson, seconded by Weisberg, to accept the Hearing Officer decision; motion passed, 5-0.

GENERAL MANAGER'S REPORT

The General Manager reported that she was scheduled to go to New York on August 17, 1987, to meet with the System's Investment managers.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a legal matter before the Retirement System. The Board reconveyned in open sessio and announced that no action had been taken in Executive Session an that the matter will be continued to a further Executive Session on August 12, 1987.

There being no further business,
the Board adjourned at 6:50 p.m.

Respectfully submitted

Clare M Murphy

Clare M.Murphy
General Manager

Note: A transcript was made of this meeting by
court reporter: Richard Adams.

BOARD OF ADMINISTRATION
INVESTMENT COMMITTEE
August 18, 1987

1. Call to Order and Roll Call

CLOSED SESSION

Agenda Items 2 - 9

OPEN SESSION (Approximately 1:00 p.m.)

Action — 10. Approval of July 16, 1987 Minutes of the Open Session Investment Committee

Action — 11. Acceptance of Investment Transactions
- A. Public Employees' Retirement Fund
  1. Portfolio Summary and Transaction Summary
  2. Bond Transactions
  3. High Yield Bond Transactions
  4. Real Estate Equity Transactions
  5. Real Estate Mortgage Loan Transactions
  6. Equity Transactions
  7. Securities Lending Transactions
- B. Legislators' Retirement Fund
- C. Judges' Retirement Fund
- D. Public Employees' Medical & Hospital Care Act Contingency Reserve Fund
- E. Volunteer Firefighters Length of Services Award Fund

PERS

Action — 12. Request of Golden 1 Credit Union as Loan Correspondent

Action — 13. South Africa Divestment Update

Information — 14. Quarterly Member Home Loan Update

Information — 15. Advisory Council Mission Statement Review

Information — 16. Report from Council of Institutional Investors

NOTE: Any agenda item acted on at this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

Call.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, AUGUST 11, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager Retirement System

MINUTES: Minutes of Regular Meeting July 28, 1987,

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent calendar:

a) VOLUNTARY SERVICE RETIREMENT LIST - 3/87

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Gregory Thornton $3,500.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Alejandro Serrano $2,100.00

d) REQUEST FOR ONE STAFF TO ATTEND INSTITUTIONAL INVESTOR INSTITUTE FALL PENSION FUND ROUNDTABLE, SEPTEMBER 17-18, 1987, Chicago.

e) REQUEST FOR ONE STAFF TO ATTEND DREXEL BURNHAM LAMBERT TAXABLE FIXED INCOME INSTITUTIONAL INVESTOR CONFERENCE, AUGUST 13-16, 1987, NAPA VALLEY.

ACTION: It was moved by Gibson, seconded by S.Walker, to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. DRAFT OF GRAND JURY RECOMMENDATIONS AND STAFF RESPONSE.

Clare M. Murphy, General Manager, presented a written and oral report to the Board on Grand Jury recommendations and the response prepared by staff. The Board engaged in a question and answer session with Mike Lewis, Rudy Hernandez, Kieran Murphy and Bill Smith regarding issues raised in the recommendations. No action was taken on this item; information only.

2. RESULT AND RECOMMENDATION OF LEGAL MATTER: RUSCEL DICKEY

Dan Maguire, Deputy City Attorney, addressed the Board on the recent court decision on Police Officer Ruscel A. Dickey. Mr. Maguire requested the Retirement Board to accept the Court of Appeals decision.

ACTION: It was moved by Ashe, seconded by Gibson, not to seek review of the Court of Appeals decision on Ruscel A. Dickey; motion passed, 6-0.

3. HEARING OFFICER DECISIONS:

WEAVER, Barry R.
Police - Q2 Police Officer
DETERMINATION DENIED

CROWDER, George L.
Fire - H20 Lt. Fire
Industrial DISABILITY/STIP DENIED

ACTION: It was moved by Weisberg, seconded by Gibson, to accept the Hearing Officer Decisions; motion passed, 6-0.

ACTION: It was moved by Driscoll, seconded by Gibson, to hear the Hearing Officer Decisions as part of the Consent Calendar; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Driscoll, to hear the Supplemental Calendar; motion passed, 6-0.

ITEM

1. HEARING OFFICER DECISIONS

WETZEL, Paul A.
Airport Police - Police Officer
INDUSTRIAL DISABILITY
PERS GRANTED

ACTION: It was moved by Weisberg, seconded by Ashe, to accept the Hearing Officer Decision; motion passed, 6-0.

INVESTMENTS CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDING JUNE 30, 1987.

   Herb Meiberger, Security Analyst, presented a written and oral review of the performance of Internal and External Fixed Income Managers for the period ending June 30, 1987. The Board reviewed and discussed the report with staff.
   No action was taken; information item only.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDING JUNE 30, 1987.

   Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report on the performance of the Internal and External Equity Managers for the Period ending June 30, 1987. The Board engaged in a question and answer session with staff.
   No action was taken; information item only.

3. STAFF REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDING JUNE 30, 1987.

   DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the Total Portfolio performance for the period ending June 30, 1987. The Board reviewed and discussed the matter with the staff.
   No action was taken on this matter; information item only.

4. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING OCTOBER 31, 1987.

   DeWitt Bowman, CIO, presented a written and oral report on the proposed Allocation of Funds for the period ending October 31, 1987. The Board reviewed the matter and engaged in a question and answer session with staff.

   ACTION: It was moved by Gibson, seconded by Weisberg, to approve the staff's recommendation; motion suspended, for a substitute motion.

   ACTION: It was moved by Driscoll, seconded by Ashe, to offer a substitute motion; motion passed, 5-1 (Gibson).

ACTION: It was moved by Driscoll, seconded by Ashe, to approve staff's recommendation except to derive the 30 million from domestic equities from each major asset style; 10 million from "market timer" category, 10 million from a "value oriented" category and 10 million from a "Growth" style category, at the discretion of the Chief Investment Officer to be allocated to the International Equity Managers; motion passed, 4-2 (Gibson, Weisberg). (Asset Allocation Attached.)

5. CHIEF INVESTMENT OFFICER'S REPORT:

DeWitt Bowman, presented a report on the Managers who visited the Investment Division during the month of July.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. Lee Munson of the Mayor's Fiscal Advisory Committee met with Ms. Murphy and DeWitt Bowman. The Fiscal Advisory Committee wants to assist the Retirement Board in every possible way. One of the ideas was to fund a pre-retirement counseling program. The Board discussed other possible ideas. The next meeting with Mr. Munson is scheduled for August 26, 1987.

2. The Retirement System has met all targets of their MBO Plan with the exception of the review of Workers Compensation claims within a targeted period. A full report will be made at the next regularly scheduled Board meeting.

There being no further business,
the Board adjourned at 6:00 p.m.

Respectfully submitted

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by
court reporter: Dawn McNamee

San Francisco City and County Employees' Retirement System

Recommended Asset Allocation for the Quarter Ending
October 31, 1987

Funds Analysis

Projected Net Contributions	$24,000,000
Projected Income	$48,647,825
Total Available for Allocation	$72,647,825

Recommended Cash Flow Allocation

Sector	Portfolio	Anticipated Income	Additions (Deletions)	Current Weighting	Adjusted Weighting	Allocation Goal
Domestic Equity	Index	1,530,004		19.5%	20.1%	
	Internal	1,102,594		9.4%	9.7%	
	Loomis	1,085,189	(10,000,000)	17.2%	16.7%	
	Alger	565,760		14.7%	14.0%	
	Springman	1,414,247	(10,000,000)	15.3%	14.8%	
	McCullough	456,097		4.1%	4.2%	
	Hahn	443,156	(10,000,000)	3.5%	3.6%	
	Furman	565,153		6.2%	6.4%	
	Nicholas	99,257		3.7%	3.8%	
	Hanson	476,160		6.5%	6.7%	
	Total	7,737,617	(30,000,000)	33.4%	31.9%	25.0%
International Equity	Capital					
	Guardian	319,626	10,000,000	34.5%	34.4%	
	Morgan	269,472	10,000,000	32.9%	32.9%	
	Oeschle	207,657	10,000,000	32.6%	32.7%	
	Total	796,755	30,000,000	5.7%	6.6%	10.0%
Venture Capital		0				
	Total	0		0	0	5.0%
Domestic Fixed Income	Internal	18,536,829	(23,518,266)	51.3%	50.3%	
	Private	2,481,734	(2,481,734)	7.3%	7.2%	
	Cal. Mort.	5,307,351	10,000,000	11.3%	12.1%	
	MacKay	3,029,024		9.0%	9.1%	
	Lehman	2,101,645		6.1%	6.2%	
	Bankers	1,875,012		6.3%	6.4%	
	Scudder	2,851,477		8.6%	8.7%	
	Total	36,183,072	(16,000,000	51.6%	51.1%	40.0%

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

WEDNESDAY, AUGUST 12, 1987 - 4:00 P.M.

SPECIAL MEETING

PRESENTT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

INVESTMENT CALENDAR

ITEM

1. VENTURE CAPITAL REPORT AND RECOMMENDATION.

Prior to the discussion on Venture Capital, the Board and legal counsel discussed Commissioner Denning's inability to vote on the venture capital issue due to a potential conflict of interest.

ACTION: It was moved by Weisberg, seconded by Walker, to excuse Commissioner Denning from voting; motion passed, 6-0.

DeWitt Bowman, Chief Investment Officer, presented a written and oral report and recommendation on venture capital. The Board reviewed and discussed the report with staff.

ACTION: It was moved by Gibson, seconded by Weisberg, to accept staff's recommendation and to commence negotiation with Crossroads Capital Group to manage a venture capital investment program for the Retirement System Trust Fund with an initial asset allocation of up to 30 million dollars to be committed as appropriate, and under the direction and final approval of the Retirement Board; motion passed, 5-0 (Denning).

EXECUTIVE SESSION

The Board went into Executive Session to discuss a legal matter before the Retirement System. The Board reconveyed in open session and announced that no action had been taken in Executive Session.

There being no further business,
the Board adjourned at 6:00 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by court reporter: Dawn McNamee

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, September 8, 1987 - 1:30 P.M.

PRESENTT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, August 11, 1987.
ACTION: Approved as Amended.

MINUTES: Minutes of Special Meeting August 12, 1987.
ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

INVESTMENT CALENDAR

ITEM

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDING JUNE 30, 1987.

   A representative of the Callan Associates, Mr. Russ Blumenthal, presented a written and oral report to the Board on the measurement of the Retirement System's Investment portfolio for the quarter ending June 30, 1987. The Board reviewed and discussed the portfolio with Mr. Bluementhal. No action was taken; information item only.

2. PRESENTATION BY EXTERNAL INVESTMENT MANAGERS:

   Representatives of the following firms, investment managers of the Retirement System's trust fund portfolios, presented written and oral report on the status of the investment performance for the quarter ending June 30, 1987.

   Fred Alger Management Inc.
   Nicholas-Applegate Capital Mgt.
   Capital Guardian Trust Co.
   Loomis Sayles & Co.
   Scudder, Stevens & Clark

   The Board members and staff exchanged viewpoints and comments on the performance of the portfolios. Also discussed were the current and projected economic conditions. No action was taken; information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT:

   A. U.S. COMPANIES CURRENTLY DOING BUSINESS IN SOUTH AFRICA

   Clare Murphy, General Manager, presented the Board a current list of U.S. Companies doing business in South Africa. No action was taken; information item only.

B. PROXY VOTE:

ACTION: The Board voted on the following proxy issue:

General Mills	For	Against
Shareholder proposal- Resolution instituting cumulative voting for directors	6	0

Clare Murphy also reported that she had met with the Mayor's Financial Advisory Committee and reviewed with them the Retirement System's investment policies.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

A. a) VOLUNTARY SERVICE RETIREMENT LISTS - 4-87

b) VOLUNTARY SERVICE RETIREMENT LISTS - 5-87

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Robert R. Bonnet $ 2,007.66

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Eddie Jiminez $ 698.88

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
George Keller $ 8,000.00

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
RICARDO G. KEPPARD $ 2,248.57

g) SETTLEMENT OF DISPUTED CLAIM _ THIRD PARTY SETTLEMENT:
Judith Klain $ 2,562.75

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
EUGENE T. MATTERI $ 486.90

i) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Virgil M. Pastones $ 7,500.00

j) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Ray Tribble $ 1,500.00

B. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Robert Emery $ 1,500.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Maria M. Jiminez $ 1,200.00

c) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Bernard M. Sinton $ 35,000.00

C. a) REPORT OF THIRD PARTY CASE TRIED :
Walter Pinosky $ 4,020.00

b) REPORT OF THIRD PARTY CASE TRIED:
Walter Van Laak $ 468.00

D. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Addie Yvonne Colbert

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Alfred W. Lent

c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Arthur L. Lewis

d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Truman D. McKinney

e) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Lonnie Moore

f) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Bill Smith

E. a) REQUEST FOR AUTHORIZATION FOR ONE BOARD MEMBER TO ATTEND THE PUBLIC SAFETY EMPLOYEES PENSION AND BENEFITS CONFERENCE, OCTOBER 11-14, 1987, IN PALM SPRINGS, CALIFORNIA.

b) REQUEST FOR ONE STAFF TO ATTEND AN ASSET ALLOCATION SEMINAR CHAIRED BY LOUIS KINGSLAND OF CALLAN ASSOCIATES AND DOUGLAS LOVE OF BEA ASSOCIATES, OCTOBER 15-16, IN SAN FRANCISCO.

c) REQUEST FOR ONE STAFF TO ATTEND THE INSTITUTE FOR INTERNATIONAL RESEARCH CONFERENCE ON ASSET ALLOCATION, AND TO VISIT EXTERNAL INVESTMENT MANAGERS, OCTOBER 21-23, 1987, IN NEW YORK CITY.

d) REQUEST FOR ONE STAFF TO ATTEND THE INSTITUTIONAL INVESTOR 15th ANNUAL FIXED INCOME CONFERENCE, OCTOBER 26-27, 1987, IN NEW YORK CITY.

e) REQUEST FOR ONE STAFF TO ATTEND VENTURE CAPITAL ECONOMICS FORUM, OCTOBER 28-30, 1987, IN BOSTON, AND ALSO TO VISIT THE RETIREMENT SYSTEM'S VENTURE CAPITAL CONSULTANTS, CROSSROADS CAPITAL, IN HARTFORD, CONNECTICUT.

f) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE CONFERENCE ON REAL ESTATE INVESTMENT STRATEGIES FOR PENSION FUNDS, NOVEMBER 7-11, 1987, IN CHICAGO, ILLINOIS.

F. HEARING OFFICER DECISIONS:

BROOKS, John
Fire - H-20 Lieutenant
INDUSTRIAL DISABILITY/STIP
Effective Date: April 8, 1987 GRANTED

DEBRUNN, Albert
Public Defender - 8142 Investigator
ORDINARY DISABILITY
Effective Date: June 8, 1987 GRANTED

DUANE, Richard R.
Police - Q380 Inspector
INDUSTRIAL DISABILITY
Effective Date: August 20, 1987 GRANTED

FOPPIANO, Donald G.
MUNI - 9163 Cablecar Gripman
ORDINARY DISABILITY
Effective Date: July 16, 1987 GRANTED

LUCERO, LEO
Water Dept. - 7354 Truck Driver
REINSTATEMENT DENIED

NOECKER, Gregory G.
Social Services - 2905 Eligil. Worker
ORDINARY DISABILITY
Effective Date: July 1, 1987 GRANTED

OUKROP, Curtis C.
Fire Dept. - H4 Inspector
INDUSTRIAL DISABILITY/STIP
Effective Date: November 20, 1986 DENIED

PAULSEN, PAUL W.
Fire Dept. - H-20 Lieutenant
INDUSTRIAL DISABILITY/STIP
Effective Date: May 5, 1987 GRANTED

QUIJANO, Vicente D., Jr
Social Services - 1632 Sr. Acct. Clerk
ORDINARY DISABILITY
Effective Date: November 15, 1986 GRANTED

REED, Donald E.
Muni - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: November 14, 1986 GRANTED

ROTH, Andrew
Fire Dept. - H-2 Firefighter
INDUSTRIAL DISABILITY/STIP
EFFECTIVE Date: September 15, 1986 GRANTED

SHOENSTEIN, Gilbert
Fire Dept. - H2 - Firefighter
INDUSTRIAL DISABILITY
Effective Date: July 2, 1987 GRANTED

WIEGER, WILLIAM A.
Police - 0380 Inspector
INDUSTRIAL DISABILITY
Effective Date: August 7, 1987 GRANTED

G. a) APPLICATION FOR BIRTHDAY CORRECTION:
Conchita M. Huff

b) APPLICATION FOR BIRTHDAY CORRECTION:
Willie B. Nicholas

ACTION: It was moved by Driscoll, seconded by Walker, to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

ITEM

1. RESULT AND RECOMMENDATION OF LEGAL MATTER
David Hinman

Dan Maguire, Deputy City Attorney, presented a written and oral report on the David Hinman's case.

ACTION: It was moved by Driscoll, seconded by Gibson, to accept staff's recommendation; motion passed, 6-0.

2. ADJUSTMENT OF RETIREMENT ALLOWANCE
Richard R. Duane

ACTION: By a unanimous ballot vote, the Board approved the adjustment of Mr. Duane's allowance from 50% to 77%.

3. ADJUSTMENT OF RETIREMENT ALLOWANCE
William L. Wieger

ACTION: By a unanimous ballot vote, the Board approved the adjustment of Mr. Weiger's allowance from 50% to 58%.

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Driscoll, to consider Supplemental Calendar, motion passed, 6-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Norman F. Boyd $ 134.48

   SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
   Timothy Patrick Phillips $ 5,000.00

2. HEARING OFFICER DECISIONS:

   BELL, Edward
   MUNI - 9163 Transit Operator
   ORDINARY DISABILITY DENIED

   BENNETTE, Perrie G.
   MUNI - 9163 Transit Operator
   ORDINARY DISABILITY
   Effective Date: July 8, 1987 GRANTED

   GOTO, Kazuko
   Juvenile Court - 1220 Payroll Clerk
   ORDINARY DISABILITY
   Effective Date: June 1, 1987 GRANTED

   LEWIS, Mabel V.
   Laguna Honda Hospital - 2302 Nurses Aide
   ORDINARY DISABILITY
   Effective Date: June 1, 1987 GRANTED

   YEE, Josephine
   PURCHASING - 1632 Sr. Acct. Clerk
   ORDINARY DISABILITY
   Effective Date: October 3, 1987 GRANTED

3. WITHDRAWAL OF FUNDS FROM DEFERRED COMPENSATION PLAN:
Sharon Hernandez

ACTION: It was moved by Driscoll, seconded by Gibson, to adopt Supplemental Calendar, motion passed, 6-0.

4. REVIEW OF PROPOSED CHARTER AMENDMENTS FOR NOVEMBER BALLOT

ACTION: Kieran Murphy, Actuary, presented a written and oral report on the proposed charter amendment for the November Ballot. No action was taken; information item only.

5. REVIEW OF MBO PERFORMANCE FOR THE FISCAL YEAR 1986-1987.

ACTION: Rudy Hernandez, Deputy General Manager, addressed the Board on this item and submitted program performance assessment for the fiscal year 1986-87. The Board reviewed and discussed the report with the staff. No action was taken; information item only.

EXECUTIVE SESSION

The Board went into Executive Session to discuss a legal matter. They reconveyed in open session and announced that no action had been taken.

There being no further business, the Board adjourned at 6:10 p.m.

Respectfully submitted

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by court reporter: Dawn McNamee

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, September 29, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, September 8, 1987.

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. A. a) VOLUNTARY SERVICE RETIREMENT LIST - 6-87

B. a SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Miguel Cosio, Jr. $ 1,734.26

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Bob Johnson $ 1,730.00

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Allen W. Kennedy $ 5,000.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Robert R. Red $ 5,500.00

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Fred Travis $ 3,841.50

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Earnest L. Wayne $ 3,174.94

C. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Thomas Faure $ 3,750.00

D. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Cynthia K. Selmar

E. a) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE BANKERS TRUST COMPANY CONFERENCE AT WILD DUNES, SOUTH CAROLINA, OCTOBER 18-21, 1987

b) REQUEST FOR AUTHORIZATION FOR ONE STAFF TO ATTEND THE INSTITUTIONAL INVESTOR REAL ESTATE FORUM ON "THE CHANGING ENVIRONMENT IN U.S. REAL ESTATE" TO BE HELD IN SCOTTSDALE, ARIZONA, DECEMBER 3-5, 1987.

c) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE 33RD ANNUAL EMPLOYEE BENEFITS CONFERENCE TO BE HELD IN SAN FRANCISCO, DECEMBER 4-9, 1987.

F HEARING OFFICER DECISIONS:

BURKE, Honora
SOCIAL SERVICES - 2942 Welfare Worker
ORDINARY DISABILITY — DENIED

FRIEDLIN, William R.
PUBLIC HEALTH - 2320 RN
ORDINARY DISABILITY
Effective Date: August 22, 1987 — GRANTED

JOHNSON, Joanne B.
PUBLIC HEALTH - REG. NURSE
ORDINARY DISABILITY
Effective Date: September 5, 1987 — GRANTED

TATMAN, Marie
PUBLIC HEALTH - 2302 Orderly
ORDINARY DISABILITY
Effective Date: January 20, 1987 — GRANTED

G. PETITIONS FOR REHEARING:

CROWDER, George L.
Fire - H20 Lieutenant
INDUSTRIAL DISABILITY/STIP — DENIED

GEOGHEGAN, Patrick.
FIRE - H2 Firefighter
INDUSTRIAL DISABILITY — DENIED

ACTION: It was moved by Ashe, seconded by Walker to adopt the Consent Calendar; motion passed 6-0.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 13, 1987 - 1:30 PM

PRESENT:	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, September 29, 1987.

ACTION: Approved as Submitted

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1

A. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Marina Andino $ 613.20

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Warren Cane $ 3,854.60

c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
BABE RUTH FLUKER $ 17,500.00

d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Duke E. Horton $1,680.02

e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
Gerald Jackson $ 433.25

f) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
James McNeilly $ 356.00

g) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Oscar Montero $ 43.50

h) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
Diane Otis $ 1,356.21

B. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Rita Cortes (Donoso, Dec'd) $ 2,500.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Annabelle O'Connell $ 30,000.00

C. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Cher Darice Brown

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Easteller Bruihl

D. HEARING OFFICER DECISIONS:

CONDON Emmet D
FIRE DEPT. - 0140 Dept. Chief
INDUSTRIAL DISABILITY
Effective Date: January 24, 1987 GRANTED

FITZPATRICK, Joseph
City Planning - 5282 Planner IV
ORDINARY DISABILITY
Effective Date: September 24, 1987 GRANTED

McClain, Levell
MUNI - 9163 Transit Officer
ORDINARY DISABILITY
Effective Date: May 6, 1987 GRANTED

SHEA, Aidan A.
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY/STIP
Effective Date: February 19, 1987 GRANTED

SIMS, Laura L.
CONTROLLER - 1720 Data Entry Operator
ORDINARY DISABILITY
Effective Date: September 1, 1987 GRANTED

WRIGHT, Leola M.
SFGH - 2390 CPD Technician
ORDINARY DISABILITY
Effective Date: June 13, 1987 GRANTED

E. APPLICATION FOR BIRTHDAY CORRECTION:
Susan Young

ACTION: It was moved by Ashe, seconded by Weisberg to adopt the Consent Calendar; motion passed 4-0.

ACTION: It was moved by Weisberg, seconded by Walker to reconsider the Consent Calendar; motion passed 4-0.

ACTION: It was moved by Walker, seconded by Weisberg to adopt Consent Calendar items A through C, with item C(b) removed from the Calendar at the request of the applicant; motion passed 4-0.

ACTION: It was moved by Weisberg seconded by Ashe to adopt Consent Calendar items D and E; motion passed 4-0.

REGULAR CALENDAR

ITEM

1. PRESENTATION BY THE HARTFORD INSURANCE COMPANY ON THE PERFORMANCE OF THE DEFERRED COMPENSATION PLAN FOR FISCAL YEAR 1986/1987.

   Representatives from the Hartford Variable Annuity Insurance Companypresented the Board a written and oral report on the performance of the deferred compensation plan for fiscal year 1986/1987.The Board reviewed the information and engaged in a question and answer session. No action was taken; information item only.

2. REVIEW OF PETITION FOR REINSTATEMENT - FORMER POLICE INSPECTOR, JOHN FOTINOS

   Mr. Michael Hebel, attorney for Police Officers' Association, and former Inspector John Fotinos presented a written and oral report. The Board reviewed and discussed the matter with them. The applicant withdrew his petition for reinstatement. No further action was taken.

3. DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT - JAMES STOKES

   Pam Levesque presented a written and oral statement on the dismissal of James Stokes' application for industrial disability retirement. The Board reviewed and discussed the matter with staff.

   ACTION: It was moved by Ashe, seconded by Weisberg to accept staff's recommendation to dismiss the application.; motion passed 4-0.

INVESTMENT CALENDAR

ITEM

1. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED JUNE 30, 1987.

   Carried forward to the next Board meeting scheduled for October 24, 1987.

2. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED JUNE 30, 1987.

   Carried forward to the next Board meeting scheduled for October 24, 1987.

3. REAL ESTATE PERFORMANCE REVIEW BY PENSION REALTY ADVISORS:

   Representatives of Pension Realty Advisors presented a written and oral report reviewing real estate performance for the period ended June 30, 1987. The Board engaged in a question and answer session. No action was taken; information item only.

4. PENSION REALTY ADVISORS PRESENTATION OF STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES.

   Representatives from Pension Realty Advisors presented a written and oral statement of investment objectives and policies. The Board reviewed the statement and engaged in a question and answer session. Action on this item was deferred to the next scheduled Board meeting on 10/27/87, to allow absent commissioners an opportunity to vote on the item.

5. CHIEF INVESTMENT OFFICER'S REPORT.

   A. Proxy Vote

   ACTION: The Board voted on the following proxy issue:

QUAKER OATS	For	Against
Shareholder Proposals:		
1. Reinstating annual elections of directors to replace the present classified board	4	0
2. To refrain from funding organizations that perform or counsel abortions.	0	4

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Weisberg, seconded by Ashe to hear the Supplemental Calendar; motion passed 4-0.

ITEM

1. ADJUSTMENT OF RETIREMENT ALLOWANCE
   (requires ballot vote)

   Michael J. Winslow

   ACTION: By a unanimous vote of 4-0, the Board approved the adjustment of Michael J. Winslow's retirement allowance to 59% from 50%, effective June 11, 1987.

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Floyd M. Pitts

3. HEARING OFFICER DECISION:

   PENN, Ruby N.
   MUNI - 9163 Transit Operator
   ORDINARY DISABILITY DENIED

   ACTION: It was moved by Ashe, seconded by Weisberg to approve staff's recommendation for item 2 and to accept Hearing Officer Decision for item 3; motion passed 4-0.

GENERAL MANAGER'S REPORT

The General Manager reported that:

1. CALAPRS General Assembly meeting will be held in San Francisco on October 18-19, 1987. The schedule includes dinner on Sunday at Le Meridien and the conference on Monday.

2. A Constitutional Amendment was proposed by Representative Sterling, which will require that all California Public Pension funds be funded by 75% by July 1, 2001. Those funds which are not funded by that date will be taken over by a Pension Board which will be created for this purpose.

BOARD MEMBERS

The Board adjourned in memory of Recreation & Park employee Albert Charles Levy who served the City for over 36 years, and of Transit Operator, William McPartland who served the City for 22 years

There being no further business, the Board adjourned at 6:00 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 27, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Raymond L. Weisberg, M. D.	Commissioner
ABSENT:	Nancy Walker	President, Board of Supervisors
	Samuel Walker	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, October 13, 1987.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

I a. VOLUNTARY SERVICE RETIREMENT LIST - 8-87

II a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
James P. Jones $4,915.32

III a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Betty J. Nott Carver $25,000.00
(Howard Nott - Dec'd)

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
Richard Giles $45,000.00

IV a. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Arthur F. Back

b. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
Albert Cingolani

V HEARING OFFICER DECISIOSN:

a. HARRINGTON, Michael
POLICE - Q2 Police Officer
ORDINARY DISABILITY DENIED

VI a. Application for Birthday Correction:
Nicholas J. Allen

b. Application for Birthday Correction:
Jean Hom

ACTION: It was moved by Gibson, seconded by Ashe, to adopt the Consent Calendar; motion passed, 4-0.

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Weisberg, to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

I. a. VOLUNTARY SERVICE RETIREMENT LIST - 9-87

II. HEARING OFFICER DECISIONS:

a. CHIN, Elmer
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: July 1, 1987 GRANTED

b. JABLONSKI, Carol
PARKING - 8214 Prkng.Control Officer
ORDINARY DISABILITY
Effective Date: August 1, 1987 GRANTED

c. Ransbury, Arthur
MUNI - 9139 - Transit Supervisor
ORDINARY DISABILITY
Effective Date: June 1, 1987 GRANTED

d. SUSLOW, Harold M.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY/STIP
Effective Date: November 30, 1985 GRANTED

ACTION: It was moved by Ashe, seconded by Gibson, to accept the Supplemental Calendar with the exception of item II d; motion passed, 4-0.

REGULAR CALENDAR

1. ADOPTION OF CITY AND COUNTY OF SAN FRANCISCO EMPLOYEES' RETIREMENT SYSTEM ANNUAL REPORT FOR THE FISCAL YEAR 1986-1987.

Pam Levesque, Executive Assistant, presented a written and oral report for final adoption of the Employees' Retirement System Annual Report for the Fiscal Year 1986-1987. The Board reviewed and discussed the report with the staff.

ACTION: It was moved by Weisberg, seconded by Ashe, to adopt the Annual Report for the Fiscal Year 1986-1987; motion passed, 4-0.

2. REQUEST TO DISTRIBUTE RETIREES FLYER.
Representatives from the Retirees Association presented a written and oral request to distribute the association's flyer. The Board reviewed and discussed the request.

ACTION: It was moved by Ashe, seconded by Weisberg to approve the retirees' request to distribute the flyer as recommended and amended by staff; motion passed, 4-0.

3. DISMISSAL OF APPLICATION FOR DISABILITY RETIREMENT
Luther Creer

Pam Levesque, Executive Assistant, presented a written and oral request to dismiss the ordinary disability application of Luther Creer. The Board reviewed the request.

ACTION: It was moved by Weisberg, seconded by Ashe, to approve staff's recommendation to dismiss the ordinary disability application of Luther Creer; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED JUNE 30, 1987.

Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report on the activities and performance of the external international equity managers for the quarter ended June 30, 1987. The Board reviewed the information and engaged in a question and answer session. No action taken, information item only.

2. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED JUNE 30, 1987.

Mark Coleman, Security Analyst, presented a written and oral report on the activities and performance of the external international fixed income managers for the quarter ended June 30, 1987. The Board reviewed the performance and engaged in a question and answer session. No action was taken; information item only.

Note: Commissioner Denning arrived at this time.

3. PENSION REALTY ADVISORS PRESENTATION OF STATEMENT OF INVESTMENT OBJECTIVES AND POLICIES.

DeWitt Bowman, Chief Investment Officer and Mike Young of Pension Realty Advisors, presented a written and oral request to adopt the statement of investment objectives and policies for the Employees' Retirement System's real estate asset sector.

ACTION: It was moved by Gibson, seconded by Weisberg to accept Pension Realty Advisors statement of investment objectives and policies for the Equity Real Estate Asset Class; motion passed, 5-0.

4. CROSSROADS CAPITAL - VENTURE CAPITAL REPORT

DeWitt Bowman presented the Board with a written and oral report on Crossroads Capital. The Board reviewed the proposed agreement and engaged in a question and answer session with the staff and Peter Seigle, a representative from Crossroads Capital.

ACTION: It was moved by Gibson, seconded by Ashe to allow Commissioner Denning to abstain from the vote on Crossroads Capital, due to a conflict of interest; motion passed, 4-0.

ACTION: It was moved by Ashe, seconded by Gibson to accept the limited partnership structure with Crossroads Capital; motion passed 4-0.

5. VENTURE CAPITAL PRESENTATION BY REPRESENTATIVES FROM CROSSROADS CAPITAL.

DeWitt Bowman, Chief Investment Officer, and Peter Seigle, a representative from Crossroads Capital, presented information on investment policies and guidelines for the venture capital program for the Employees Retirement System trust fund. The Board engaged in a question and answer session with staff and Mr. Siegle. No action was taken; information item only.

CHIEF INVESTMENT OFFICER'S REPORT:

1) REQUEST TO AMEND SOUTH AFRICA INVESTMENT RESTRICTION RESOLUTION.

The Board reviewed and discussed the request with Mr.Bowman and staff.

ACTION: It was moved by Weisberg, seconded by Driscoll, to adopt staff's recommendation for amending the South Africa Investment Restriction Resolution; motion passed, 5-0 (see attached Resolution).

2) DeWitt Bowman, Chief Investment Officer presented a written and oral report to the Board on the stock market crash.

ITEM II d under Supplemental Calendar:

HEARING OFFICER DECISION:

SUSLOW, Harold M.
POLICE - 0380 Inspector
INDUSTRIAL DISABILITY/STIP
Effective Date: November 30, 1985 GRANTED

ACTION: It was moved by Weisberg, seconded by Ashe, to request the City attorney to file a petition for rehearing in order to establish if Mr.Suslow is disabled with a heart condition as well as orthopaedically; motion passed, 4-1(Driscoll).

GENERAL MANAGER'S REPORT

The General Manager reported that:

1) The Council of Institutional Investors semi-annual meeting will be held on November 5 and 6 in New York.

2) The 33rd Annual Employee Benefits Conference would be held December 4-9, 1987 in San Francisco. All those who wish to attend must notify the Administrative Office as soon as possible.

3) Retirement Staff requested that the Civil Service Commission approve a request for an internal adjustment for the salary of the General Manager so the salary will reflect the supervisory differential between the General Manager and the Chief Investment Officer.

   ACTION: It was moved by Weisberg, seconded by Ashe, to approve the proposed salary adjustment; motion passed, 5-0.

4) A flyer on stock market was prepared and distributed to give out out information to the interested public.

5) "Word from Washington", dated 10/13/87, issued by National Conference on Public Employee Retirement Systems (NCPERS), was reviewed. Legislative changes mandated by recent tax legislation will be proposed to the Board early in 1988.

6) A bill and draft constitutional amendment dealing with regulation of local retirement systems in California, has been proposed by Assemblyman Larry Stirling. Copies were distributed.

There being no further business, the Board adjourned at 5:40 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dawn McNamee

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 10, 1987 - 1:30 PM

PRESENT:	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
ABSENT:	Paul F. Denning	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner
	Nancy Walker	President, Board of Supervisors
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, October 27, 1987.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM			
I	a)	SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT Joene Wright	$2,000.00
II	a)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: David Alvarado	$250.00
	b)	SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE: Newton Church	$10,750.00
III	a)	REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Mona Marie Gray	
IV		HEARING OFFICER DECISIONS:	
	a)	HINMAN, David W. FIRE Dept. - H50 Asst. Chief INDUSTRIAL DISABILITY/STIP Effective Date: December 30, 1984 (REHEARING)	GRANTED
	b)	FRAYSSE, Leon M. FIRE DEPT. - H-30 Captain INDUSTRIAL DISABILITY/STIP	DENIED
	c)	PETROCCHI, Richard L. Rec & Park - 7355 Truck Driver ORDINARY DISABILITY Effective Date: December 12, 1987	GRANTED
	d)	TURNER, Charles MUNI - 9139 Transit Operator ORDINARY DISABILITY Effective Date: September 16, 1987	GRANTED

ACTION: It was moved by Gibson, seconded by Walker. to adopt the Cosent Calendar; motion passed, 4-0.

INVESTMENT CALENDAR

ITEM

1. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1987.

   Herb Meiberger, Security Analyst, presented a written and oral report on the performance of internal and external fixed income managers for the period ended September 30, 1987. The Board engaged in a question and answer session with staff. No action was taken; information item only.

2. STAFF REPORT ON PERFORMANCE OF INTERNAL AND EXTERNAL EQUITY MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1987

   Carolyn Hamilton, Assistant Chief of Investments, rendered a written and oral report on the internal and external equity managers' performance for the period ended September 30, 1987. The Board reviewed and discussed the matter with staff. No action was taken; information item only.

3. STAFF REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1987

   DeWitt Bowman, Chief Investment Officer, presented a written report on the total portfolio performance for the period ended September 30, 1987. The Board reviewed and discussed the matter with staff. No action was taken; information item only.

4. STAFF RECOMMENDATION ON ALLOCATION OF FUNDS FOR THE PERIOD ENDING JANUARY 31, 1988.

   DeWitt Bowman, CIO, presented a written and oral report on the proposed allocation of funds for the period ending January 31, 1988. The Board engaged in a question and answer session with Mr. Bowman.

   ACTION: It was moved by Ashe, seconded by Gibson, to approve staff's recommendations on the allocation of funds for the period ended January 31, 1988; motion passed, 4-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:

a. Proxy Votes:

Campbell Soup Co. - 9,200 shares Shareholder proposals:	For	Against
1. To limit the tenure of directors to six years	0	4
2. To issue information in Annual Reports on equal employment practices and a statement of goals to increase minority hiring and business activity	3	1

Times Mirror Co. - 102,761 Shares Shareholder Proposal:	For	Against
Recapitalization Program:	0	4

Litton Industries - 3,926 shares Shareholder Proposal:	For	Against
Requires cumulative voting for directors	3	1

WD 40 Inc. - 34,500 shares Shareholder Proposal:		
Requires spinning off all or a part of the corporations's assets in the form of a master limited partnership.	0	4

b. DeWitt Bowman, Chief Investment Officer, presented:

1. A List of US and International companies doing business in South Africa
2. A List of business contacts made during the month of October 1987
3. A Chart showing cumulative performance of Retirement System's index fund in comparison to South Africa Free Universe and S&P 500, from June 1985 to September 1987.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Walker to hear the Supplemental Calendar; motion passed, 4-0.

ITEM

I a. SETTLEMENT OF DISPUTED CASES - THIRD PARTY CASE
Sheila Crawford $666.67

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE
Ora Lee Curtis $75,000.00

c. APPLICATION FOR BIRTHDATE CORRECTION:
Arthurlene Walker

ACTION: It was moved by Walker, seconded by Ashe, to adopt item I of the Supplemental Calendar; motion passed 4-0.

Note: Commissioner Driscoll left the meeting at this time.

II a. DISCUSSION OF PROBATION OFFICER - PERS PROPOSAL

ACTION: Kieran Murphy, Actuary, and Clare Murphy, General Manager, presented a written and oral report on the transfer of Probation Officers and Juvenile Hall Counselors to PERS. The Board discussed and reviewed the matter with staff. No action taken; information item only.

REGULAR CALENDAR

ITEM

1. a) APPROVAL OF CONTINUATION OF MEMBERSHIP IN THE NATIONAL CONFERENCE ON PUBLIC EMPLOYMENT RETIREMENT SYSTEMS (NCPERS) WITH ANNUAL DUES INCREASED TO $400.00.

   b) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE ANNUAL MEETING OF NCPERS ON APRIL 10-14, 1988, AT THE HYATT REGENCY IN CHICAGO, ILLINOIS.

   c) APPROVAL OF CONTINUATION OF SUBSCRIBER MEMBERSHIP IN EMPLOYEE BENEFIT RESEARCH INSTITUTE (EBRI).

   Carried forward to the next Board meeting scheduled for November 24, 1987.

2. REQUEST TO DISMISS APPLICATION FOR DISABILITY RETIREMENT
   Joseph H. Colbert

   Carried forward to the next Board meeting scheduled for November 24, 1987.

3. REQUEST TO APPROVE PROPOSED RETIREMENT BOARD RULE 18.01

   Carried forward to the next Board meeting scheduled for November 24, 1987.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported that;

1. Proppsitions J & K passed on November 3, 1987, require action, and staff is drawing up plans for Prop K. For Prop J, the Board needs to establish regulations for the purchase of representative service. Staff will prepare their recommendations and resolution for both these propositions and bring to the Board at its meeting of January 12, 1987.

2. Loomis-Sayles-&-Company invited the Board to Steve Silver's Beach Blanket Babylon musical revue on December 8, 1987. All interested should let the Administrative Office know as soon as possible.

The Board adjourned in memory of Commissioner Walker's Sister-in-law, Dejennette White, and his aunt, Anna Aron, both of whom passed away in November.

There being no further business, the Board adjourned at 4:20 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 24, 1987 - 1:30 PM

PRESENT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT:

Bonnie K. Gibson	Commissioner
Nancy Walker	President, Board of Supervisors

Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, November 10, 1987.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a) VOLUNTARY SERVICE RETIREMENT LIST - 10-87

2. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Robert C. Alberigi $10,833.33

   b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Edward R. Burroughs $10,540.65

   c) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Cornell Johnson $12,500

   d) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT
   Sanchez Merritt $1,170.32

   e) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Stewart B. NG $11,666.67

3. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Gerald Wacks (Dec'd) $15,000.00

4. a) REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE CALLAN INVESTMENTS INSTITUTE'S EIGHTH ANNUAL NATIONAL CONFERENCE, TO BE HELD IN SAN FRANCISCO JANUARY 26-28, 1988.

5. HEARING OFFICER DECISIONS:

DONAHUE, Robert E.
FIRE DEPT. - H40 Bat. Chief
INDUSTRIAL DISABILITY/STIP
Effective Date: March 21, 1987 GRANTED

VALLOT Eula M.
PUBLIC HEALTH (SFGH)- 2302 Orderly
ORDINARY DISABILITY
Effective Date: September 1, 1987 GRANTED

ACTION: It was moved by Ashe, seconded by Driscoll, to adopt the Consent Calendar; motion passed, 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Ashe, seconded by Walker, to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
   Louis H. Fort $6,400.00
2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
   Robert McBriarity $730.90
3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Carmelita Cenidoza
   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Lewis Reed
   c) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Virginia Richardson
   d) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
   Alexander Semeneko

4. SETTLEMENT OF DISPUTED CLAIM - REIMBURSEMENT OF PENSION OVERPAYMENT:

Alfred A. Averill	$69,300.88

5. HEARING OFFICER DECISIONS:

DAVENPORT, William B. POLICE - Q-2 DETERMINATION	GRANTED
DITO, Pete M. POLICE - Q-2 INDUSTRIAL DISABILITY/STIP	DENIED
LANDUCCI, Robert E. POLICE - Q-2 INDUSTRIAL DISABILITY/STIP Effective Date: Jan 2, 1986	GRANTED
STOLZ, Geraldine PUBLIC HEALTH - 2588 Health WorkerIV ORDINARY DISABILITY Effective Date: August 1, 1987	GRANTED
TOLLIVER, Winnie M. PH-LHH - 2301 Orderly ORDINARY DISABILITY Effective Date: September 1, 1987	GRANTED

ACTION: It was moved by Weisberg, seconded by Driscoll, to adopt the Supplemental Calendar; motion passed, 5-0

INVESTMENT CALENDAR

ITEM

1. INVESTMENT REVIEW BY CALLAN ASSOCIATES FOR THE QUARTER ENDED SEPTEMBER 30, 1987

   Russ Blumenthal of Callan Associates presented a written and oral report to the Board on the measurement of the Retirement System's Investment Portfolio for the quarter ended September 30, 1987. The Board engaged in a question and answer session with Mr. Blumenthal. No action was taken; information item only.

2. PRESENTATION BY EXTERNAL INVESTMENT MANAGERS:

   MacKay/Shields Financial Corp.
   Lehman Asset Management
   Morgan Grenfell Investment Services
   Warburg Investment Management
   Axe Core Investors

   Representatives from the above five investment firms presented written and oral reports on the status of the investment performance for the quarter ended September 30, 1987. The Board reviewed and discussed the reports and engaged in a question and answer session regarding the current and projected state of the economy. No action was taken; information item only.

3. CHIEF INVESTMENT OFFICER'S REPORT:

   a) U.S. Companies currently doing business in South Africa

      DeWitt Bowan, Chief Investment Officer, presented a list of US Companies currently doing business in South Africa

   b) DeWitt Bowman, Chief Investment Officer, presented a draft of the Investment Policies and Procedures which will be presented to the Board for action at the next regularly scheduled Board meeting.

REGULAR CALENDAR

ITEM

1. APPROVAL OF CONTINUATION OF MEMBERSHIP IN THE NATIONAL CONFERENCE ON PUBLIC EMPLOYMENT RETIREMENT SYSTEMS (NCPERS) WITH ANNUAL DUES INCREASED TO $400.00.

   Clare Murphy, General Manager, addressed the Board on this item and presented a letter from NCPERS in connection with the increase in 1987 dues.

   ACTION: It was moved by Weisberg, seconded by Ashe, to approve staff's recommendation to continue membership in the National Conference on Public Employment Systems (NCPERS) with annual dues increased to $400.00; motion passed, 5-0.

2 REQUEST TO DISMISS APPLICATION FOR DISABILITY RETIREMENT
   Joseph H. Colbert

   Pam Levesque, Executive Assistant, presented a written and oral report on this matter. The Board reviewed and discussed the case with staff.

   ACTION: It was moved by walker, seconded by Weisberg, to approve staff's request to dismiss Joseph Colbert's application for disability retirement; motion passed, 5-0.

3. REQUEST TO APPROVE PROPOSED RETIREMENT BOARD RULE 18.01

   Pam Levesque, Executive Assistant, addressed the Board on this item and presented a proposed rule governing inspection of documents presented at the Retirement Board meetings. The Board discussed the rule with staff.

   ACTION: It was moved by Ashe, seconded by Weisberg, to approve proposed Retirement Board Rule 18.01; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reported that:

1. The prospective Retirement Board meetings schedule for the period January-March 1988, included an Executive Session on 1/12/88. Copies of the Schedule were handed over to the Board members.

2. The Court of Appeal affirmed a verdict in favour of the City for $316,600 in the case of Mitroff & City and County of San Francisco vs. Westinghouse Broadcasting & Cable Company.

3. The Christmas Party for staff is scheduled to take place on December 18th, in The Terrace Room of the Cliff House Restaurant, at 12:30 p.m. All Board members are invited.

4. George Springman, Inc., will host its annual Christmas luncheon on January 8, 1987.

5. DeWitt Bowman, Chief Investment Officer, was honored at MFAC luncheon for being nominated for a Public Managerial Excellence Award, sponsored jointly by MFAC and SPUR.

6. The Annual Employee Benefit Confernce is scheduled to take place in San Francisco from December 4 to December 9, 1987. The Board members were requested to indicate the sessions which they plan to attend.

There being no further business,
the Board adjourned at 6:10 p.m.
to mark the occasion of DeWitt Bowman's
honor at being nominated for an MFAC
award.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting
by court reporter: Richard Adams.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, December 8, 1987 - 1:30 P.M.

PRESENTT:	Paul F. Denning	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Raymond L. Weisberg, M.D.	Commissioner

ABSENT: Nancy Walker President, Board of Supervisors

Clare M. Murphy General Manager Retirement System

MINUTES: Minutes of Regular Meeting, November 24, 1987.
ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were considered under the Consent Calendar:

ITEM

1. a) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
BROOKS, Joyce $354.00

b) SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY SETTLEMENT:
TURNER, Bertha $1735.10

2. a) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
DONG, Elmer T. $22,500.00

b) SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:
NAHL, GENE $6,250.00

3. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
CAMPERS, Willie, Jr.

b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:
LEOTA, Esther

4. HEARING OFFICER DECISIONS:

CHATMAN, Leonard J.
MUNI - 9163 Transit Operator
ORDINARY DISABILITY
Effective Date: March 1, 1987 GRANTED

MEDLEY, James Jr.
DEPT. of FINE ARTS - photographer
ORDINARY DISABILITY
Effective Date: October 31, 1987 GRANTED

PICHEL, Donald C.
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY/STIP
Effective Date: September 18, 1987 GRANTED

TEHANEY, Robert J.
FIRE DEPT. - H2 Firefighter
INDUSTRIAL DISABILITY/STIP
Effective Date: August 8, 1986 GRANTED

ACTION: It was moved by Gibson, seconded by Weisberg, to adopt the Consent Calendar; motion passed, 6-0.

INVESTMENT CALENDAR

ITEM

1. PENSION REALTY ADVISORS REPORT

Bill Ramseyer and Mike Young of the Pension Realty Advisors, presented an oral and written report on recommendations concerning Retirement System's equity real estate portfolio. The Board reviewed the report and discussed the main features of the report with Bill Ramseyer amd Mike Young.

ACTION: It was moved by Weisberg, seconded by Ashe to invest $19 million in units of JMB group Trust I; motion passed, 6-0.

ACTION: It was moved by Gibson, seconded by Walker, to allow Commissioner Denning to abstain from voting on Schroeder Real Estate Fund A, based on advice of counsel due to a possible conflict of interest; motion passed, 6-0.

ACTION: It was moved by Ashe, seconded by Gibson, to invest $20 million in units of Schroeder Real Estate Fund A; motion passed, 5-0. (Commissioner Denning abstained from voting).

2. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL EQUITY MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1987.

Carolyn Hamilton, Assistant Chief of Investments, presented a written and oral report on the Activities and Performance of External International Equity Managers for the quarter ended September 30, 1987. The Board reviewed the report and engaged in a question and answer session. No action was taken; information item only.

3. ACTIVITIES AND PERFORMANCE OF THE EXTERNAL INTERNATIONAL FIXED INCOME MANAGERS FOR THE QUARTER ENDED SEPTEMBER 30, 1987.

Mark Coleman, Security Analyst, presented a written and oral report on the activities and performance of the external international fixed income managers for the quarter ended September 30, 1987. The Board reviewed the report and discussed the performance with staff. No action was taken; information item only.

4. DISCUSSION OF INVESTMENT POLICY AND PROOCEDURES AND REVIEW OF INVESTMENT PLAN DRAFT

DeWitt Bowman, Chief Investment Officer, presented a written and oral report on the Investment Policy and Procedures and a draft of the proposed Investment Plan. The Board reviewed the Investment Plan draft and engaged in a question and answer session with staff.

ACTION: It was proposed by Weisberg, seconded by Walker, to adopt the Investment Plan as presented. The staff was directed to carry out the changes and to present the amended Investment Plan to the Board. This Investment Plan replaces the existing Strategic Plan; motion passed, 6-0.

5. CHIEF INVESTMENT OFFICER'S REPORT:

The Chief Investment Officer presented:

a. The current list of US Companies doing business in South Africa

b. The current list of International Companies doing business in South Africa

c. Report on Coldwell Banker Fund III

DeWitt Bowman, Chief Investment Officer, presented an oral update on Coldwell Banker Fund III. The Board discussed the matter with staff. No action was taken; information item only.

d. Proxy Votes

Trans World Airlines Inc. - 40,600 shares Shareholder Proposal:	For	Against
To limit the term of outside directors to no more than six years.	0	6
Lucky Stores Inc. - 9,371 Shares **Shareholder Proposal**		
To repeal an article of the Company's restated Certificate of Incorporation. The article entitles a "substantial Shareholder" (more than 10% of outstanding common) to only 1/100 of a vote per share.	5	1

e. DeWitt Bowman, Chief Investment Officer, presented a list of business contacts made in the month of November 1987.

Note: Commissioner Weisberg left the meeting at this time.

REGULAR CALENDAR

ITEM

1. DISCUSSION OF ECONOMIC ASSUMPTIONS FOR THE 1987-1988 VALUATION.

William D. Smith of Milliman's and Robertson, Consulting Actuaries, and Kieran Murphy, Staff Actuary, addressed the Board on this item. The Board discussed the economic assumptions for the 1987-1988 valuation with William Smith and Kieran Murphy.

ACTION: It was moved by Driscoll, seconded by Ashe, to adopt the five sets of assumptions recommended in Milliman and Robertson's Report; motion passed, 5-0.

S U P P L E M E N T A L C A L E N D A R

Section 54954.2b1 of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda:
(2) Upon a determination by a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision(a).

ACTION: It was moved by Gibson, seconded by Ashe, to consider the Supplemental Calendar; motion passed, 5-0.

ITEM

1. REQUEST FOR AUTHORIZATION FOR STAFF AND BOARD MEMBERS TO ATTEND THE 16TH ANNUAL INSTITUTIONAL INVESTOR PENSIONS CONFERENCE TO BE HELD IN NEW YORK, JANUARY 7-8, 1987.

2. a) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Oosterbaan, Harry John

   b) REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN: Wood, Robert E.

ACTION: It was moved by Ashe, seconded by Walker, to adopt the Supplemental Calendar; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager reported that:

1. Budget cuts were expected for the General Fund.

2. She distributed City Attorney's Opinion on participation in Fund Raisers and what to file on the Conflict of Interest forms.

3. Reminded Board members about Hartford Luncheon on Friday December 11, 1987.

4. Related a touching story of how the assistance of the Retirement System staff brought about the union of a father and son who were separated for over 39 years.

There being no further business, the Board adjourned at 5:45 p.m.

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Richard Adams.

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